



U.S. Agency for International Development
Bureau for Africa

MADAGASCAR

FY 2002

RESULTS REVIEW AND

RESOURCE REQUEST

March 2000
USAID/Madagascar
Antananarivo, Madagascar

Please Note:

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Released on or after Oct. 1, 2002



**U.S AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/MADAGASCAR
Antananarivo, Madagascar**

March 17, 2000

Ms. Vivian Lowery Derryck
Assistant Administrator, Bureau for Africa
U.S. Agency for International Development
Washington, D.C.

Dear Vivian:

I am pleased to submit USAID Madagascar's FY 2002 Results Review and Resource Request. As summarized therein, USAID's Country Strategic Plan (CSP) and the U.S. Mission Performance Plan (MPP) are meeting or exceeding most targets as we pass the mid-point of our strategic plan period.

The Mission is, in effect, winning many battles to reduce poverty in Madagascar. We fear, however, that despite our best efforts the country is at risk of losing momentum in the larger war. Although the economic picture is encouraging, in human terms the picture is less positive. No social data demonstrate that the economic upswing has begun to trickle down. The continuing high levels of poverty represent the single biggest threat to Madagascar's biodiversity, with 80% of species found nowhere else on earth. As the number three hottest "hotspot," concentrating a large portion of conservation resources on Madagascar would offer an unparalleled opportunity to stem the mass extinction of species that is now underway globally.

The USAID program in Madagascar directly responds to the country's needs in these precarious times. The Mission has adjusted to its "limited" status quite successfully and is "doing more with less" in creative, effective ways that directly affect the lives of its ultimate customers, the Malagasy poor. We recognize we do not have the resources for direct broadbased impact. We have thus positioned ourselves as one of the premier "labs" in Madagascar to develop and pilot new models of development, and are successfully leveraging other donor and private resources for scale-up. Some examples follow:

- The Coca Cola Company has recently joined Madagascar's national cholera campaign, along with the U.S. Centers for Disease Control, CARE International, and Population Services International, to market low-cost safe water systems;
- The World Bank has agreed to finance contraceptives;
- The Gates Foundation has targeted youth for an HIV/AIDS prevention campaign;
- The Summit Foundation awarded \$400,000 to the private *Tany Meva* environmental foundation to support local integrated population-health-environment activities, complementing USAID's on-going work in promoting linkages among these sectors;

- Private Swiss railroads have donated over \$1 million in used equipment to a USAID-mentored small rail line in southeastern Madagascar to keep it running while we help it prepare for privatization;
- The World Bank has adapted a USAID-developed rural road rehabilitation model, and will include the small rail line mentioned above in its transport sector loan; and
- Several other benevolent organizations are contributing to USAID-initiated programs that are managed by current and former USAID-funded partners.

We have encouraged and otherwise obtained private (for-profit and non-profit) participation in most of our activities at all levels: national, regional, and community. These diverse funding sources are enabling USAID to stretch its meager DA and other funding further than before. Unless we can continue our direct and leveraged actions to their fullest extent, however, the promise shown by Madagascar to become one of Africa's vibrant emerging economies may disappear before our eyes.

In order to accelerate our direct and leveraged momentum we need: i) our program funding restored to at least the CSP request level; ii) supplemental security and moving expenses to enable us to work in a setting that meets current diplomatic security standards; and iii) adequate annual O.E. budgets to support our program. We ask that you consider each of these requests carefully.

1) Program Funding at the CSP Request Level: The program budgets for FY 2000 and FY 2001 presented in this R4 are consistent with the latest OYB and CP control levels. These levels, however, are significantly less than our CSP request levels for our Democracy & Economic Growth (D&EG) and Environment objectives. Unless these budget gaps are filled to our request levels, we will need to amend and/or terminate some contracts and grants, and reduce the results we committed ourselves to achieve toward reducing poverty that were envisioned in this strategic plan. Section III.A. of this R4 describes the extent and impact of the funding gap in more detail.

To offset the shortfalls and consequences for D&EG, we have submitted requests for funding from PRIME, ESF, and ATRIP sources. For the Environment objective, we will be assessing the potential for use of monetized P.L. 480 Title II resources to meet program needs. We appreciate the opportunity afforded to Madagascar by these initiatives, but note that developing and tracking them takes additional scarce management time. We are troubled by the management approach that takes scarce DG and EG resources away from approved bilateral Country Strategies, reprograms them to central or regional initiatives, and then obliges bilateral missions to spend scarce staff time developing proposals to seek funding from those initiatives in effect to carry out their approved strategies.

We ask that you give your full support to restoring the bilateral funding for our D&EG and Environment objectives to their full CSP request levels or, if that is not possible, assuring that Madagascar's proposals for PRIME, ESF, and ATRIP resources, and possible FY 2001 request for P.L. 480 Title II, receive favorable consideration.

2) Supplemental Funding for Security and Urgent Moving Expenses: USAID's current office does not meet minimum security requirements. The Mission in FY 1999 used mission funding and security supplemental funds to reduce our vulnerability. Even with these improvements, the Office of Security includes Madagascar among the three Missions in Africa on its critical list for immediate relocation, and has approved our identified new site. In order to accomplish this relocation we require additional funding of \$2,454,000 in FY 2000 and \$200,000 in FY 2001, without which the Mission will not be able to move. Section III. B. provides more detail on these needs. We ask that you give priority attention to securing funds to meet them.

The Embassy has requested that the Department consider relocating the American Cultural Center, which houses the Public Affairs function of this Post, with USAID at the proposed new site. Should this be approved, the costs to USAID for the move would be reduced considerably.

3) Adequate Annual O.E. Budgets and Staff to Support the Program : The O.E. budgets for FY 2000, 2001, and 2002 reflect the assumption that USAID will relocate its offices as soon as practical, and that supplemental funding summarized in 2) above will be provided for this purpose. Our total O.E. request for FY 2000 is the AFR-provided level of \$2,150,000, plus the \$2,454,000 for relocation for relocation, for a total of \$4,604,000.

We have reviewed O.E. levels throughout the region and understand that the Bureau has done its best to protect Madagascar's O.E. levels in FY 2000. For that we thank you. We will work closely with Africa Bureau management to inform the difficult choices that the actual FY 2000 and estimated FY 2001 O.E. levels will require. This will be particularly important given the damage to productive infrastructure and new threats on food security that the recent Cyclones Eline and Gloria have wrought in Madagascar.

The great cost in human terms of a catastrophic event such as the recent cyclones underscores the fragile balance between economic development and humanitarian needs for a country like Madagascar, with its very young democracy struggling to engineer a rapid economic rebound and improve social welfare without fatally damaging the country's fragile – and irreplaceable – natural resource base. In this disaster-prone country, striking this balance will remain exceedingly difficult. Our in-country presence at current staffing levels has enabled us to respond effectively to the assaults the cyclones made on the Malagasy population. Effective recovery will continue to depend on that presence. We urge you to incorporate this into your decision-making as you deal with the restructuring required from O.E. realities.

Warm regards,

Karen M. Poe
Director

USAID Madagascar FY 2002 Results Review and Resource Request

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I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

In the broad context, U.S. presence in Madagascar is based on our over-arching policy goals of i) integrating Africa into the global marketplace; and ii) protecting the U.S. against transnational security threats. The Country Strategic Plan (CSP) and the Mission Performance Plan (MPP) are meeting or exceeding targets as we pass the mid-point of the strategic plan period. The Mission is, in effect, winning many battles to reduce poverty in Madagascar. We fear, however, that despite our best efforts the country is at risk of losing its momentum in the larger war.

The economic picture is encouraging. Madagascar has generally stayed on track with its structural adjustment program. As a result of this demonstration of progress, in 1999 investor confidence grew, with new firms registered increasing by 11%. Private investment as a percentage of GDP is forecasted to rise, from 5.3% in 1998 to 6.6% in 1999. And overall GDP growth was estimated at 4.7% in 1999, significantly higher than 1998's 3.9%.

In human terms, however, the picture is less positive, suggesting a lag time between the economy's upward turn and improvements in social indicators. No measurable progress is seen toward USAID's goal of reducing poverty, as measured by its two goal-level indicators – stunting in children under 3 years of age, and the proportion of people below the poverty line. There are no social data that demonstrate that the economic upswing has begun to trickle down.

The continuing high levels of poverty represent the single biggest threat to Madagascar's biodiversity, with 80% of species found nowhere else on earth. Losing species in this unique biodiversity "hotspot" would be a loss not only to Madagascar but also to the world.

The next year will be particularly critical as Madagascar seeks to balance growth and democratic development with improving the health and welfare of its population on a sustainable basis. As part of the structural adjustment program, the Government is privatizing the national oil company. Therefore, the Government will need to decrease fuel subsidies, and the cost of fuel is expected to increase considerably. The consequences for Malagasy in all walks of life will be severe. Pressure will also increase on the country's forest reserves and its unique biodiversity as trees are converted into income and fuel. Additionally, the President is committed to fulfilling a constitutional referendum on decentralization, tasking local governments and communities with new responsibilities and authorities for which their capacities are as yet untested, and for which financing is scarce. Damage from recent cyclones will put a further drag on forward momentum.

The USAID program in Madagascar directly responds to the country's needs in these precarious times. The Mission has adjusted to its "limited" status quite successfully, and is "doing more with less" in creative, effective ways that directly affect the lives of its ultimate customers, the Malagasy poor. We recognize we do not have the resources for direct broadbased impact. We have positioned ourselves as one of the premier "labs" in Madagascar to develop and pilot new models of development, and are leveraging other donor and private resources for scale-up.

Our partners' community-based approaches to health and the environment are yielding significant, measurable, people-level results that provide respite in the face of macroeconomic uncertainties:

- An innovative in-school “child-to-child” health program, coupled with complementary parent-group activities, achieved an impressive 81% immunization levels in a sample survey in pilot communities. The World Bank is financing scale-up of the program to half of Madagascar’s 16,000 primary schools.
- Using Environmental, Child Survival, Population, P.L. 480 Title II, and their own resources, USAID’s partners are linking sectoral efforts to achieve synergies in natural resource management, health, and family planning in rural and urban communities. The Summit Foundation just awarded \$400,000 for such linked efforts by the USAID-fostered private *Tany Meva* environmental foundation to support local actions.

Our partners’ mobilization of civil society in all sectors fosters tangible, documented, behavioral change that gives meaning to the rhetoric of decentralization:

- In the provincial capital of Mahajanga and several neighborhoods of Antananarivo, community-based organizations successfully negotiated with the municipal governments and the public utilities company to allow for neighborhood control of water distribution at public fountains so that maintenance could be locally managed, and thus more assured.
- In Fort Dauphin, with USAID support, the regional development committee (composed of local government, private sector and NGOs) is considering environmental impact as it reviews \$400 million of proposed investment projects, particularly in the mining sector.

Our support to economic analysis that links policy change with its impact on the poor is being used by decision-makers to mitigate negative impacts of structural adjustment.

- USAID worked with Malagasy managers of a small railroad (FCE) that transects a zone of rich agricultural production and borders the fragile ecosystem of the biodiverse-rich Ranomafana National Park. Based on a number of USAID-financed economic analyses combined with over \$1 million in USAID-leveraged support from private European partners, the World Bank recently agreed to place the FCE back on the list of potential projects for its new transport infrastructure loan.
- USAID has helped develop local institutional capacity to perform poverty impact analysis. The GOM recently postponed application of the controversial Value Added Tax (VAT) to pharmaceutical products until Malagasy researchers that USAID has trained complete the analysis of equity, revenue, and efficiency impacts.

Our position as a development “lab” will be particularly important as the World Bank and IMF become more directly involved in “people-level” development when they roll out the new Poverty Reduction Strategy Paper (PRSP) to guide structural adjustment. These multilateral donors, and many non-resident funding sources, have come to rely on USAID to develop and pilot models for them to apply. Figure 1 on the next page demonstrates that the USAID program fully supports the MPP, and outlines the contributions of USAID to principal U.S. national interests and strategic goals. Given the Mission’s contributions and Madagascar’s needs, we urge the Bureau and the Agency to respect our Management Contract in its budget and personnel deliberations in the coming years.

**Figure 1: Contributions of USAID Madagascar to Embassy Antananarivo's
Mission Performance Plan Strategic Goals**

U.S. Strategic Goals and National Interests in Embassy Antananarivo's MPP	Principal Contributions of USAID Madagascar to MPP Strategic Goals during 1999
<p><i>Mission Goal: ED: Economic Development</i> <i>National Interest: EP: Economic Prosperity</i></p> <p>And</p> <p><i>Mission Goal: DE: Democracy</i> <i>National Interest: DM: Democracy</i></p>	<p>USAID assistance in modernizing commercial law and building regional-level capacities in Alternative Dispute Resolution and mediation contributed to increased confidence of domestic and foreign investors to do business in Madagascar, with new companies registered increasing by 11%. USAID-financed economic analyses and participatory fora promoted informed and open public policy dialogue and transparency in policy decision-making at both the national level (e.g. impact of the value-added tax on the poor) and at the grass-roots level in two municipalities (e.g. private delivery of public services). USAID collaborated with other U.S. Mission partners to encourage formation of a Malagasy chapter of Transparency International, which has begun conducting awareness and training workshops with the private sector, journalists, and actors in the judicial sector.</p>
<p><i>Mission Primary Goal: HE: Health</i> <i>Mission Secondary Goals:</i> <i>POP: Population, HA: Humanitarian Assistance</i></p> <p><i>National Interest: GI: Global Issues</i></p>	<p>USAID contributed to Madagascar's 100% coverage in the 1999 polio immunization campaign; provided technical assistance, training, and supplies to increase the number of public health clinics providing family planning services by almost 22%; supported social marketing of 4.5 million condoms to help combat HIV/AIDS; distributed and/or monetized 9,530 MT of Title II food to increase household and national food security; reduced to 3 days the response time to the recent Cyclones Eline and Gloria through capacity building of the National Disaster Management Unit and the USAID-initiated joint GOM-donor steering committee.</p>
<p><i>Mission Primary Goal: EN: Environment</i></p> <p><i>National Interest: GI: Global Issues</i></p>	<p>USAID's environmental partnership conserved biodiversity and fostered sustainable natural resource management within diverse ecologically defined landscapes. By the end of 1999: 94% of ecosystems existing in Madagascar were represented in the National Parks system; 222 villages participated in community-based conservation activities, including adoption of alternatives to slash and burn agriculture, such as new rice production technologies, agribusiness, and high value organic agricultural production; and the <i>Tany Meva</i> Environmental Foundation increased the volume of grants given to local NGOs to over US\$500,000. Also, since the beginning of the Environmental Impact Review law in 1996, the National Environmental Office (ONE) Technical Evaluation Committee—which has been nurtured with USAID technical assistance and training—received 39 requests for approval, 17 of which were in 1999 alone. By the end of 1999, ONE had processed 7 approvals, against a planned figure of 5.</p>

II. PERFORMANCE ANALYSIS

Figure 2: USAID Madagascar Results Framework

<u>Goal:</u> Reduced Poverty
Special Program Objective: Improved Environment for Private Initiative IR1.1: Improved legal, financial, and policy conditions for trade and investment IR1.2: More informed public participation in economic and legal issues.
Strategic Objective Two: Smaller, Healthier Families IR2.1: Family Level: Increased use of services and healthy behaviors. IR2.2: Community Level: Increased community participation leading to improved health and food security IR2.3: Health Center Level: Increased access to quality health services. IR2.4: Institutional Level: Increased capacity to plan and manage programs. IR2.5: Policy Level: Improved policies, program advocacy, and decision-making.
Strategic Objective Three: Biologically Diverse Ecosystems Conserved in Priority Conservation Zones IR3.1: Improved management of critical biodiversity habitats. IR3.2: Sustainable use of natural resources in broader landscapes. IR3.3: Sustainable financing mechanisms mobilized. IR3.4: Development and application of environmental policies, legislation, and procedures.

A. USAID MADAGASCAR 687-001-01 IMPROVED ENVIRONMENT FOR PRIVATE INITIATIVE

1. Self-Assessment: On-track

2. Summary: USAID/Madagascar's integrated EG/DG SPO contributes most directly to Agency objectives 1.1, private markets and 2.1, rule of law. It is an integral part of the U.S. Mission strategies to achieve the MPP economic development (ED) and democracy (DE) goals. USAID's support aims to advance democratic principles as a means of achieving greater predictability and rule of law in the conduct of business as well as in their own right. By the year 2002, we expect to have contributed to modernization of the nation's business codes as well as to better enforcement of these codes. We also expect to have contributed significantly to a major change in the way in which government formulates and implements public policy, from a top-down approach to one which relies much more heavily on the genuine participation of stakeholders. The basic premise of this pioneering USAID strategy is that participation and better policy go hand in hand.

3. Key Results: USAID focuses on achieving two key results with this SPO: i) improved legal, financial, and policy conditions for trade and investment; and ii) more informed public participation in economic and legal issues. In 1999, we met or exceeded all targets: three new commercial laws were adopted by the National Assembly (Table 2), the number of clients at the Savings Bank of Madagascar increased (Table 3), and in two of Madagascar's six provincial capitals, actions to increase communication and dialogue with civil society on economic and legal issues exceeded expectations (Table 4). The number of new companies increased by 11% (Table 1), demonstrating increased investor confidence and indicating our SPO of an "Improved Environment for Private Initiative" is being achieved.

4. Performance and Prospects: Madagascar continues to implement reforms aimed at reorienting the state's role in the economy, a program that includes the privatization of all of its major state-owned enterprises. Sale of the remaining large state-owned commercial bank was recently completed. Privatization of the national oil company should be completed soon followed by the sale of the national airline. Agreements were concluded last year with the World Bank and IMF to provide a second phase of financial support for Madagascar's reform program. USAID's Democracy and Economic Growth (D&EG) program supports key elements of Madagascar's structural reform and poverty reduction program, including legal and judicial reform, and improved analysis for more informed public dialogue and decision-making. The commercial law reform program has gained momentum as evidenced by the increased number of laws either adopted or in draft. Civil society shows signs of exerting greater influence in promoting good governance--a trend that should continue with USAID and other donor support. In short, we expect even greater momentum and impact of our program in the year ahead.

Performance of key indicators over the past year shows that the environment for private initiative is steadily improving. As shown in Table 1, the number of new companies created grew by over 11% in 1999, indicating increased confidence of domestic and foreign investors to do business in Madagascar. The Mission expects that ongoing and planned measures to improve the legal and regulatory framework for business should encourage continued strong growth in new businesses.

Table 2 shows that among the legal reforms benefiting from U.S.-funded technical assistance this past year, three commercial texts were enacted into law, each of which increases investor security and thus confidence. Subject to availability of funds discussed in section 5 below, USAID's continued assistance for business law reform is expected to yield results in at least four more laws important to private business being modernized next year.

Building on work that resulted in passage of the Arbitration Law, USAID-funded training in Alternative Dispute Resolution resulted in the formation of four regional committees devoted to promoting the development and use of arbitration and mediation in Madagascar. USAID financed the compilation of eight commercial codes which are being distributed to the nation's courts and other public and private organizations, thereby providing many legal actors throughout the nation for the first time with access to Madagascar's legal texts. Previously, judges and lawyers often handled cases without reference to the relevant legal codes. The improved dissemination of legal texts should lead to less arbitrary, higher quality court case decisions. USAID also provided basic equipment (e.g., typewriters and filing cabinets) for the nation's courts outside of the capital, while the French provided equipment to some of the courts in the capital. Evidence suggests that the court equipment has begun to make an impact on reducing the large court case backlogs that currently slow down the administration of justice.

In collaboration with the U.S. Embassy and other donors, USAID has supported Malagasy efforts to fight corruption. A well-publicized USG-sponsored roundtable on corruption and a seminar on judicial control of corruption raised awareness of the adverse impact of corruption and of means to combat it. A growing number of Malagasy civil society organizations are engaged in the fight against corruption. With U.S. Mission leadership, a chapter of Transparency International is being formed and has begun conducting awareness and training workshops with the private sector, journalists, and actors in the judicial sector. Following last year's program of support to the National Assembly, a draft law on Parliamentary ethics was drafted and debated in the National Assembly. While not adopted this session, following its revision, the law will be re-introduced in the opening session of next year. The adoption of an ethics code should help strengthen the credibility of the legislature as an effective counterweight in the balance of power.

Over the past several years, USAID support for expanded access to financial services has helped the Savings Bank of Madagascar (CEM) strengthen its institutional capacity to service its large and growing client and deposit base. Table 3 shows that the number of new clients of the CEM grew by 9.8% in 1999, approximating expectations. This past year, USAID financed an in-depth diagnostic of the Savings Bank which included recommendations for improving the bank's corporate governance and management so that it can complete the transformation to an independent formal financial institution. Support this year will focus on assisting the CEM in completing its corporate transformation so that it can then proceed to deepen its role in the provision of microfinance services in Madagascar. The CEM's success in transforming itself into a corporate entity with the concomitant governance and accountability implications is key to its sustained independence and growth. This in turn is key to serving the interests of over half a million small savers.

Collaborative economic research done by U.S. and Malagasy researchers has strengthened Madagascar's capacity to conduct analysis needed for informed policy debate and decision-making.

Based on the experience they gained working with U.S. researchers, the GOM asked Malagasy researchers to conduct a study aimed at improving the effectiveness and fairness of the Value Added Tax, and in particular, the proposal to extend the VAT to medicines. The decision to extend the VAT's coverage for administrative ease and to reduce loopholes to all products including medicine had led to vocal opposition. The application on pharmaceutical products was postponed until the issue has been sufficiently analyzed in terms of its equity, revenue, and efficiency implications.

Table 4 shows that USAID's support for improved public information and dialogue continued to foster more participatory dialogue between citizens and their local governments in two of six provincial capitals of Madagascar. In one, after extensive debate, the Municipal Council adopted a policy on participation, dialogue and access to information. The consultative process fostered by the policy is a fundamental change in the way local municipal government does business, enabling citizens to participate in what has been top down, directive socio-political tradition in this country. In another provincial capital, there had been a violent public reaction to the municipality's unilateral decision concerning the placement of public water taps and pricing of water. Recognizing that the problem could not be resolved without the genuine participation of local citizens, the mayor and city council conducted extensive public consultations with a USAID-supported federation of grassroots organizations resulting in a consensus on the placement, management, and pricing policy for a new urban water system funded by a German aid foundation.

5. Possible Adjustments to Plans: USAID/Madagascar has experienced significant budget reductions against planned levels which will impede our ability to attain results in a number of key areas. If future funding levels resemble those of FY 1999 and FY 2000, the Mission will be forced to cut major components of its D&EG program in 2001, including future activities in microfinance, commercial law, and trade and investment. We have devoted considerable staff resources to applying for supplementary funding (ESF, ATRIP, PRIME) to compensate for DA funding shortfalls, but our ability to program and implement is impeded by budgetary cuts and uncertainties. Depending on the outcome of our requests for supplementary funding, the Mission may adjust targets downward for IR1.1, "Improved legal, financial, and policy conditions for trade and investment."

The FY 2001 R4 review cable asked the Mission to report on a SPO-level indicator, and this year we report on "number of new firms created" in Table 1. The Mission may adjust some of its indicators for FY 2003 R4 reporting following the transition to the second phase of activities in support of IR1.2, "More informed public participation in economic and legal issues."

6. Other Donor Programs: We collaborate closely with the French and World Bank in the provision of support for commercial law and judicial reform. French and European Union support for quick economic surveys and analysis supports the development of staff at INSTAT and complements our own support for improved economic analysis. Our support for more informed public dialogue has strongly complemented donor support (German, French) in the provinces for infrastructure and improved municipal finance.

7. Principal Contractors, Grantees or Agencies: Associates in Rural Development and Checchi & Company Consulting, Jureco (a local law firm), Pact, Cornell University.

D&EG Performance Data Table 1 (Newly reported indicator)

OBJECTIVE NAME: Improved environment for private initiative			
OBJECTIVE ID: 687-001-01			
APPROVED: July 22, 1998		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: SPO-level indicator.			
INDICATOR: Number of new firms created each year			
<p>UNIT OF MEASURE: Number of registrations of newly incorporated firms (companies) from all seven INSTAT agencies in Madagascar, the 6 provinces and Antsirabe.</p> <p>SOURCE: INSTAT (National Institute of Statistics) tabulates the data from its own records. All new firms must register with INSTAT to get the “statistical card” required for doing business.</p> <p>INDICATOR DESCRIPTION: New firms include corporations, limited liability partnerships, and a very small number of other types of companies. The indicator does not measure a relatively large number of “individual enterprises,” e.g. street vendors, the data for which are less timely and whose contribution to productive earnings and employment less certain.</p> <p>COMMENTS:</p> <p>1. The review cable of Madagascar’s R4 2001 recommended that a SPO level indicator should be included. Hence, the "number of new firms created each year ", an indicator included in the original SPO Performance Monitoring Plan of March 1998, was selected and is newly reported on in this R4. The indicator was chosen because it provides a direct measure of an improved environment for private initiative, and on which we can claim to influence via our program of support. As indicated in the notes below, our analysis shows that the quality and reliability of the data are quite good.</p> <p>2. The number of newly registered companies reflects a combination of all new incorporated businesses (because getting a statistical card is the last step in registration) and the upgrading of previously informal businesses. Both the tax office and the statistical office check whether the manager of a new company was the manager of a pre-existing and still-operating company, as this would disqualify the manager from creating a new company. For this reason, the statistical office believes that few of the new companies merely reflect re-registration of old companies</p> <p>3. Growth of new companies over the period 1994-96 was only 6.9%. The 1996-97 growth rate was an extraordinary 27% as the economy was coming out of a recession. Because this growth was exceptional, we select 1997 as the base year and the targeted growth rate is set at 10%.</p> <p>4. 1999 is a preliminary estimate, but fairly reliable, since the non-respondents accounted in 1998 for only 9 percent of new companies. In next year’s R4, we will report the actual data for 1999.</p>	YEAR	PLANNED	ACTUAL
	1997(B)	-	1019
	1998	-	1175
	1999	1233	1305
	2000	1356	
	2001	1492	
	2002	1641	

D&EG Performance Data Table 2

OBJECTIVE NAME: Improved environment for private initiative			
OBJECTIVE ID: 687-001-01			
APPROVED: July 22, 1998		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR1.1 Improved legal, financial, and policy conditions or trade and investment.			
INDICATOR: Laws modernized in major areas of business law.			
UNIT OF MEASURE: Number of laws modernized in major areas of business law SOURCE: Business Law Reform Commission, Ministry of Justice, Official Gazette INDICATOR/DESCRIPTION: Laws modernized in major areas of business law adopted by the National Assembly. To qualify for inclusion, a law must have benefited from USAID-financed technical assistance in terms of draft, comment and/or review while in draft stage, be significant in terms of its potential to remove a major obstacle to trade and/or investment and improving the environment for private initiative, and have been adopted by the National Assembly. COMMENTS: 1. Analysis and selection of the legal reform priorities were determined in 1998 and updated in 1999 by the Malagasy Business Law Reform Commission, the Ministry of Justice and other ministries, with the support of U.S. technical assistance. 2. Three new laws were adopted and promulgated in 1999: i) an enterprise transparency law; ii) law on the status of merchants; and iii) a law on publicizing property liens. The <u>first</u> law specifies what firms must publish in the commercial registry and requires firms to keep financial accounts and make public their financial statements. This law paved the way for the January 2000 issuance of a modern commercial registry application decree. The new registry will make transactions more secure and facilitate expanded credit for enterprises. The <u>second</u> law expands the definition of acts of commerce, bringing such acts under commercial law and enabling disputes to be handled in commercial courts. It also provides equal status to businesswomen. The <u>third</u> law simplifies legal debt collection procedures by abridging the court mortgage registration process. Creditors are now entitled to automatic registration of mortgage liens once the legal claim of the creditor is established. [Previously their claim had to be verified in the court thus adding an additional administrative layer to the process.] This new law should help develop the market for real estate credit by providing creditors more security in lending. 3. The following laws are in the process of reform or are expected to be reformed in 2000/2001: Company Law, Bankruptcy Law, Leasing Law, Contract Law, Law Governing Credit and Collateral, Labor Law and Competition Law. USAID expects that four of these laws will be adopted in 2000.	YEAR	PLANNED	ACTUAL
	1997(B)		0
	1998	1	1
	1999	3	3
	2000	4	
	2001	2	
	2002	2	

D&EG Performance Data Table 3

OBJECTIVE NAME: Improved environment for private initiative			
OBJECTIVE ID: 687-001-01			
APPROVED: July 22, 1998		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR1.1 Improved legal, financial, and policy conditions for trade and investment.			
INDICATOR: Number of client at the Savings Bank of Madagascar (CEM).			
UNIT OF MEASURE: Number of Clients SOURCE: Savings Bank of Madagascar (CEM) INDICATOR/DESCRIPTION: "Number of Clients" is the total number of CEM clients having a savings deposit account. The Actual number of Total Clients represents the total number of such CEM clients on December 31 of the year shown. NOTES: (a) The FY2001 R4 table showed 464,369, which was the total Number of Clients on November 15, 1998. The new figure is the total Number of Clients at the end of the year, December 31, 1998. COMMENTS: 1. The percentage increase in the Number of Clients during 1999 was 9.8%. Female clients accounted for 47% of the Number of Clients at the end of 1999. The 1999 Number of Clients represented about 6.3% of the adult population of Madagascar. On the same date in 1996 it approximated 4.9%. 2. The FY2001 R4 Table showed performance data for "Deposits and Number of Clients at the Savings Bank of Madagascar". The deposits were measured in millions of FMG, the local currency (Malagasy Francs) and had been tracked since 1992. However, the "Analysis of FY2001 R4s for Africa Bureau: Highlights of Findings", dated November 8, 1999, recommended that "these are two separate indicators and should be measured and reported on as such." Hence "Number of Clients" was selected based on its relatively higher value as a people-level impact indicator, and also because it more directly measures access to financial services. It can also be disaggregated by gender, occupational category and geographic coverage. For disappointed readers, CEM deposits increased by 12.1% in real terms in 1999.	YEAR	PLANNED	ACTUAL
	1996 (B) <u>Clients</u> Female: Male:	-	<u>365,559</u> 168,722 196,837
	1997 <u>Clients</u> Female: Male:	<u>428,000</u>	<u>420,602</u> 198,176 222,426
	1998 <u>Clients</u> Female: Male:	<u>460,000</u>	<u>471,245</u> ^(a) 229,025 242,220
	1999 <u>Clients:</u> Female: Male:	<u>500,000</u>	<u>517,414</u> 243,185 274,229
	2000 <u>Clients:</u>	545,000	
	2001 <u>Clients:</u>	595,000	
	2002 <u>Clients:</u>	650,000	

D&EG Performance Data Table 4

DCEG Performance Data Table 4

OBJECTIVE NAME: Improved environment for private initiative			
OBJECTIVE ID: 687-001-01			
APPROVED: July 22, 1998		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: . IR 1.2 More informed public participation in economic and legal issues			
INDICATOR: Key actions taken by powerholders to increase communication and dialogue with civil society on economic and legal issues.			
UNIT OF MEASURE: Number of discrete, visible or documented actions. SOURCE: Pact Madagascar INDICATOR/DESCRIPTION: Actions include for example, holding public hearings, town meetings and the appointment of Civil Society representatives on government bodies. COMMENTS: Only those actions supported by USAID financed partners for which documentable evidence is available are reported here. This indicator may be revised in FY 2000 following transition to the 2 nd phase of activities in support of this IR. Actions include: 1. The Municipality of Mahajanga and the Public Water Utility called on a federation of 30 neighborhood associations (<i>Herimiray</i>) to identify locations for construction of 50 new public water taps. 2. The City Council and the Executive of Fianarantsoa adopted a clear policy on participation, dialogue and access to information, giving the public permanent access to key public documents. 3. The Municipality of Fianarantsoa conducted consultations with merchants before revising the market taxation system and before moving the clothing market to a new location. 4. City Police of Fianarantsoa collaborated with the Transport Operator Federation in improving urban traffic control, reducing significantly illegal passenger overload on buses and enforcing respect of allocated routes. 5. The municipality of Mahajanga instituted a Council on Municipal Communication with civil society representatives to develop the city policy on communications. 6. The Municipality of Mahajanga launched a monthly municipal bulletin, <i>Trengo</i> (“chat”), which continues to be published. <i>Trengo</i> has reported on such topics as the municipal budget 1999, municipal organization chart, and garbage removal. 7. The Municipalities of Mahajanga and Fianarantsoa decided to switch permanently to a more transparent budget nomenclature, from line item to functional budget format. Thus, instead of all personnel costs for the city lumped into one line item, budgets are broken out by functions performed (such as trash collection) enabling citizens to see the relationship between tax collection and city services provided. * Planned figures may be adjusted following transition to the second phase of activities during FY 2000 and will be reported next year.	YEAR	PLANNED	ACTUAL
	1996(B)		0
	1997	3	3
	1998	7	7
	1999	5	7
	2000	5	
	2001	5*	
	2002	5*	

B. USAID MADAGASCAR 687-002-01 SMALLER, HEALTHIER FAMILIES

1. Self-Assessment: On track.

2. Summary: SO2 contributes to the Agency's goal of stabilizing the world's population and protecting human health. The primary Agency objective that this SO addresses is 4.2, infant and child health and nutrition improved. The secondary Agency objectives it addresses are 4.1, unintended pregnancies reduced, and 4.4, HIV/AIDS transmission reduced. The SO contributes to the MPP goals of protecting human health (HE), promoting smaller families (POP) and minimizing human suffering from natural disasters (HA). Madagascar has a high rate of malnutrition (stunting close to 50 percent), high mortality due to vaccine preventable diseases, and low life expectancy, around 52 years. The high rate of sexually transmitted infections is likely to lead to rapid transmission of HIV/AIDS. In 1992, when USAID began focused efforts to strengthen the family planning program in Madagascar, less than 150 medical sites provided contraceptive services, only 5% of women in the reproductive ages were using modern methods, and condoms were virtually unavailable. Policies affecting the health sector had not been reviewed and updated for decades, and data to use in decision making was extremely limited. At the end of our strategy period we expect that 1300 fixed sites will be providing contraceptive services, 15% of women of reproductive age will be using modern methods, condoms will be available within walking distance for any person in Madagascar, and timely, informed decision-making will be formulating and implementing progressive health policies. Child Survival funds are used to improve the national immunization program, expand nutrition services, and national implementation of the Integrated Management of Childhood Illnesses initiative. The direct beneficiaries of our interventions are families, particularly young children and women of reproductive age, and those vulnerable to either sexually transmitted diseases or natural disasters.

3. Key Results: USAID's health, population, and nutrition (HPN) SO generally achieved its results in: i) increasing the use of modern contraceptives, which reached 320,000 couple years of protection in 1999 reflecting a contraceptive prevalence rate of 12.7% of women in union 15 to 49 years of age (Tables 1 and 5); ii) improving the health of children age three and under, which is exceeding targets in project areas but unfortunately decreasing nationally (Table 4) ; iii) preventing HIV/AIDS/STIs through activities such as condom sales, with 4.5 million sold in 1999 (Table 3); and iv) increasing the dissemination of quality program data and use by policy makers. It is also beginning to alleviate routine and disaster-induced food insecurity among selected urban and rural communities through creative integration of P.L. 480 Title II resources (commodities and monetization) with child survival and other funding.

4. Performance and Prospects: Last year's performance surpassed targets for family planning. Contraceptive services are now available in 999 medical sites (Table 2) compared with a target of 850. Contraceptive prevalence is close to 13 percent (Table 5), compared with the target of 12 percent. Couple years of protection, based on preliminary results, surpass 300,000 (Table 1). USAID's lead technical assistance project, *Jereo Salama Isika* (JSI, or "look at us, we're healthy"), has developed and implemented a rapid, low cost, 4 method family planning training course that will significantly expand service access in the future. Consequently, we are revising upward our targets for planned family planning sites for the next three years.

Sales of condoms increased by over 30% in 1999 to almost 4.5 million (Table 3). Posting a resident Population Services International (PSI) adviser in early 1999 led to a broad range of creative information-education-communications (IEC) activities targeted at commercial sex workers, youth, and – more recently -- miners. IEC activities included popular radio spots, agreements with local musicians and stars to encourage condom use and safe sex, concerts (e.g. Jimmy Cliff) and other high visibility gatherings. The successful approach leveraged \$1.2 million from the Gates Foundation to scale up activities targeted at youth. Extensive partnering with many institutions and groups—UNICEF, UNFPA, WHO, *Médecins du Monde*, *Médecins Sans Frontières*, and local NGOs and youth groups – is expected to increase coverage and sales in the coming year. The Commercial Marketing Strategies program will soon become a locally incorporated, national NGO. Its charter and board of directors have been established. This will lead to sustainability and autonomy in the future. The increasing levels of condom sales during the latter part of the year show clearly that these efforts are paying off. We are thus maintaining the original 2002 target, based on the assumption that the program will expand rapidly.

Achievements in child survival continue to be mixed. The BASICS project developed and implemented an innovative community-based social mobilization approach to improve immunization coverage in two districts beginning in 1996. Coverage was close to 80% at the end of the project in 1998. The JSI project has continued the approach. Other partners, drawing lessons from the BASICS approach, have begun to achieve high levels of immunization coverage. Catholic Relief Services (CRS) reached close to 75% coverage in its Title II Food Assisted Child Survival (FACS) communities. The third year of National Immunization Days for polio eradication, funded largely through USAID, achieved coverage close to 100%.

In contrast to these successes, the Diptheria-Pertussis-Tetanus (DPT) coverage nationwide dropped to only 36% according to a national survey (Table 4). USAID and the JSI project are currently working with the MOH and other key partners to redirect commitment to the regular immunization program. Based on a recent evaluation of the immunization program USAID will focus on IEC, social mobilization, improved supervision for health workers, and surveillance .

PVO partner success in integrating of Public Law 480 (P.L. 480) monetization and commodity resources with child survival funding is on the cutting edge of Agency programming:

- CRS has met its targets with the number of communities who screen children, provide health education and distribute food under its FACS project mentioned above, using P.L. 480 monetization (62%), a Mission child survival grant (7%), and other program income (31%).
- CARE International is using a combination of a Mission child survival grant (25%) and P.L. 480 Title II monetization (75%) to mobilize 11 urban neighborhoods to improve community health and sanitation including nutritional status, immunization rates, and safe water supplies.
- ADRA is using Title II monetization funds to link health and agriculture in a planned 10,000 households in two rural areas, and in 1999 initiated activities in rice production, health and sanitation, and conservation in 12 villages. ADRA is using BHR/PVC child survival funds in a third area to support the child-to-child health education program in 215 schools.

USAID also works closely with P.L. 480 and other partners to improve Madagascar's disaster Preparedness, Mitigation, Prevention, and Planning (PMPP) efforts at the community, regional, and national levels. These efforts paid off following Cyclones Eline and Gloria in early March

2000, when USAID spearheaded the U.S. Mission's award of a disaster response grant to CRS within 24 hours of the GOM's disaster declaration. USAID's 1999 funding of the first phase of a Vulnerability Assessment and Mapping system to create composite vulnerability rankings will significantly improve Madagascar's national and regional PMPP capabilities for the future.

USAID's Global activity Linkages and the JSI project have begun to aggressively address the high rates of chronic malnutrition in Madagascar through intensive community based education and services, and are working with women's groups, an innovative child-to-child school-centered health program, and community based family planning workers to that end. The joint CRS, Linkages and Freedom From Hunger "Credit for Education Program" is increasing the economic livelihood of rural women in Tamatave province while improving access to nutrition education. USAID is funding the upcoming national Vitamin A survey in collaboration with the MOH, World Bank, and UNICEF.

Since the first outbreak of cholera in March 1999, USAID has actively supported cholera IEC and prevention efforts through partners implementing diarrhea disease control programs, and has assisted in the epidemiology and mapping of the epidemic.

5. Possible Adjustment to Plans: USAID does not plan to propose changes to our SO2 management contract for this objective at this time. However, as planned and notified in last year's R4, we have revised and up-dated our Performance Monitoring Plan (PMP, Annex D). The Mission has a Goal-level nutrition indicator of reduced stunting. We plan to add the following as food security and nutrition indicators to our PMP as notified in the FY2001 R4 (although limitations on tables we will not report them in the R4): a) increased rice production in targeted target P.L. 480-sponsored food security project areas; and b) percent of children 4-5 months old who are breastfed without supplementary feeding or liquids.

6. Other Donor Programs: USAID has provided 70% of donor funds for the national family planning program but is beginning to leverage other resources. Last year, UNFPA began to procure major quantities (\$1.6 million) of injectable contraceptives, thanks, in part to USAID encouragement. The World Bank, again due partially to USAID encouragement, agreed to begin procuring contraceptives. Other examples of leveraging funds from non-traditional sources include \$1.2 million from the Gates Foundation and Japanese funds to support PSI's work under the Commercial Marketing Strategies (CMS) program. CARE has partnered with PSI, CDC, and the Coca-Cola Company to market chlorine solution that will assure safe water supplies in Antananarivo and fight cholera. USAID is the largest donor in Child Survival. The World Bank, France and the European Union provide funds for health system development and national drug policy (50% of overall donor support for health). The UN agencies (UNFPA, UNICEF, the World Health Organization, and the UN Joint Program on AIDS) support HIV/AIDS prevention, with USAID contributing technical leadership and most of the funding. In 1999 USAID provided almost 47% of food aid (in tonnage) received by Madagascar.

7. Major Contractors and Grantees: John Snow International, Care International, Catholic Relief Services, the Adventist Development and Relief Agency, Peace Corps, the GOM, 25 local NGOs, and UNICEF. Global Bureau projects include: MEASURE, LINKAGES, IMPACT, HORIZONS, MOST, FANta, and the Commercial Markets Strategies (CMS) Project with PSI.

HPN Performance Data Table 1 (Last year for reporting)

OBJECTIVE NAME: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 09/14/1992		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Couple Years of Protection (CYP) provided by contraceptive methods.			
UNIT OF MEASURE: Couple Years of Protection (CYP) is calculated by multiplying the quantity of contraceptives methods distributed by a standard conversion factor. SOURCE: Family Planning Management Information System (FP/MIS). INDICATOR DESCRIPTION: The CYP is defined as the estimated protection provided by family planning services during a one year period, based upon the volume of all contraceptives sold or distributed free of charge to clients during that period. The CYP is calculated by multiplying the quantity of each method distributed to clients by a conversion factor, which yields an estimate of the duration of contraceptive protection provided per unit of that method. The conversion factors used in Madagascar include: injectables, number of doses divided by 4 ; barrier methods, number of units divided by 150 ; oral contraceptives, number of cycles divided by 15, IUD, number of insertions multiplied by 3.8 ; Norplant, number of insertions multiplied by 3.5 ; surgical contraceptives, number of interventions multiplied by 12. COMMENTS: CYP estimates for 1999 are based on preliminary data. Final estimates will be completed in 2000.	YEAR	PLANNED	ACTUAL
	1992(B)	-	72,000
	1996	180,000	170,000
	1997	240,000	240,000
	1998	260,000	280,000
	1999	300,000	320,000
	2000	340,000	
	2001	380,000	
	2002	420,000	

HPN Performance Data Table 2

OBJECTIVE NAME: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.3: Health Center Level - Increased Access to Quality Health Services.			
INDICATOR: Total number of clinical sites providing FP services nationwide.			
UNIT OF MEASURE: Number of fixed health sites with trained health workers, contraceptives and other needed elements to provide family planning (FP) services. SOURCE: Family Planning Management Information System (FP/MIS). INDICATOR DESCRIPTION: Fixed public and private clinical facilities (e.g. hospitals, health clinics, dispensaries, doctors offices, and other facilities that dispense health services) providing Family Planning services on a regular basis, e.g. 5-6 days/ week. NOTES: * Planned sites for the 2000-2002 period have been revised upward to reflect the progress to date. COMMENTS: Over six hundred of these sites have been geo-referenced using Global Positioning System (GPS) devices. FP access will be analyzed using a geographical information system. This will allow us to assure adequate service availability to increasing numbers of customers, and to avoid duplication and concentration of services in certain urban areas which are well served. The table does not include community based FP sites, which number close to 300 in 1999, nor social marketing sites which included over 15,000 retailers and 400 wholesalers in December 1999.	YEAR	PLANNED	ACTUAL
	1992(B)	-	150
	1996	520	575
	1997	630	751
	1998	800	820
	1999	850	999
	2000	1100*	
	2001	1200*	
	2002	1300*	

HPN Performance Data Table 3

OBJECTIVE NAME: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.2: Community Level - Increased Community Participation Leading to Improved Health and Food Security.			
INDICATOR: Condom sales through social marketing.			
UNIT OF MEASURE: Number of condoms sold through social marketing program. SOURCE: Social marketing program monthly reports. INDICATOR DESCRIPTION: Units sold. COMMENTS: Monthly condom sales started out very low in early 1999 due to the start-up of the new Commercial Marketing Strategies (CMS) project. By the end of the year , however, condom sales increased significantly, so we retain targets for the 2000-2002 period. The "Analysis of FY2001 R4s for Africa Bureau: Highlights of Findings", dated November 8, 1999, questioned the relationship of this indicator to the Mission's community-level IR. The rationale is that contraceptive social marketing relies on enhanced community engagement in and support for family planning, thus increased condom sales through social marketing indicates that more communities have been engaged. The new CMS project greatly increased Information-Education-Communication (IEC) and community mobilization with a range of new partners including UNFPA, UNICEF, Peace Corps, <i>Médecins du Monde</i> , <i>Médecins Sans Frontières</i> and many local social and leisure organizations throughout the country. Some examples from 1999 include: The association of medical students, the business and management school (ISCAM), the association of Lycée students. By the end of 1999, the program began accelerating activities and prospects for growth in 2000 are excellent. The CMS emphasis on engaging communities to increase community-based sales is expected to continue this expansion in future years. The Mission is exploring quality indicators for STI prevention this year through qualitative research, and hopes to include these next year.	YEAR	PLANNED	ACTUAL
	1996(B)	-	1,051,000
	1997	2,850,000	2,950,000
	1998	5,000,000	3,392,862
	1999	5,000,000	4,492,325
	2000	7,000,000	
	2001	10,000,000	
	2002	13,000,000	

HPN Performance Data Table 4

OBJECTIVE NAME: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Children receiving 3 doses of Diphtheria-Pertussis -Tetanus (DPT3) coverage.			
<p>UNIT OF MEASURE: Proportion of children 12-23 months receiving 3 doses of Diphtheria-Pertussis -Tetanus (DPT) immunizations before 1 year of age. Consequently, information collected by surveys in 1999 refer to the situation in 1998.</p> <p>SOURCE: 1992 and 1997 Demographic and Health Surveys (DHS); the INSTAT, Priority Household Survey (EPM) preliminary results are used for 1999. A Multiple Indicator Cluster Survey (MICS), conducted by INSTAT with UNICEF support, will provide data for 2000. An additional Priority Household Survey (EPM) will be conducted in 2001 with World Bank support.</p> <p>*No national surveys were conducted in 1998.</p> <p>INDICATOR DESCRIPTION: Information based on nationally representative sample surveys which look at the child's immunization card or ask the mother or guardian for information.</p> <p>COMMENTS: This indicator is for national level DPT3 coverage. It was selected to demonstrate the ability of the program to sustain immunization coverage.</p> <p>Data for full immunization coverage from two districts where BASICS developed an immunization communications and social mobilization strategy saw increases in coverage from 57% in 1996 to 78% in 1998. High coverage has continued under the JSI project.</p> <p>Similarly, PVO partners have expanded coverage using community based approaches. CRS reported close to 75% immunization coverage in surveys conducted in 1997 and 1999.</p> <p>There were no significant gender differences in immunization coverage rates.</p>	YEAR	PLANNED	ACTUAL
	1992(B)		48%
	1997	65%	48%
	1998	52%	NA *
	1999	54%	36%
	2000	56%	
	2001	58%	
	2002	60%	

HPN Performance Data Table 5 (Newly reported indicator)

OBJECTIVE NAME: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 09/14/1992		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: SO Level - SO2: Smaller, Healthier Families.			
INDICATOR: Contraceptive Prevalence Rate (CPR) for modern methods, women in union 15 to 49 years.			
UNIT OF MEASURE: Percent of women 15 to 49 in union who are currently using modern contraceptives. SOURCE: 1992 and 1997 Demographic and Health Surveys (DHS); the INSTAT, Priority Household Survey (EPM) preliminary results are used for 1999. A Multiple Indicator Cluster Survey (MICS), conducted by INSTAT with UNICEF support, will provide data for 2000. An additional Priority Household Survey (EPM) will be conducted in 2001 with World Bank support. *No national surveys were conducted in 1998 INDICATOR DESCRIPTION: Number of women 15 to 49 in union who are currently using modern contraceptives as a percentage of all women 15 to 49 in union. Modern methods include: Oral Contraceptives, Injectables, Norplant, Condoms, male and female sterilization, IUDs. COMMENTS: After many years of effort by USAID's Data For Decision Making and Policy Unit, which included extensive training of INSTAT and Ministry of Health staff and regular donor partner coordination, it has been possible to harmonize national survey efforts and standardize most key indicators and instruments. Efforts at improving data quality of all major surveys mean that there are now reliable, yearly measurements of key program indicators such as this CPR table. The costs of these surveys are shared by donors (USAID, UNFPA, UNICEF, World Bank, etc..) and local capacity is of high quality. Stress now is on in-depth analysis, use of data in the decision making and policy areas, and broad dissemination including the mass media.	YEAR	PLANNED	ACTUAL
	1992(B)		5.1%
	1997		9.7%
	1998	11.0%	NA*
	1999	12.0%	12.7%
	2000	13.0%	
	2001	14.0%	
	2002	15.0%	

C. USAID MADAGASCAR 687-003-01 BIOLOGICALLY DIVERSE ECOSYSTEMS CONSERVED IN PRIORITY ZONES

1. Self-assessment: Exceeded.

2. Summary: USAID is directly contributing to the agency and MPP goal (EN) of conserving biological diversity through support to the Madagascar National Environmental Action Plan (NEAP), the first such plan developed in Africa. Approximately 8% of Madagascar's geographical area now falls within some form of protection (versus 4.7% in 1989). Ninety-four percent (16 out of 17) of critical habitats fall within the protected area network. In addition to supporting strict biodiversity conservation activities, USAID also supports natural resource conservation activities to explore ways to meet the resource needs of its population without compromising the long-term sustainability of its exceptional biologically diverse resources. To achieve biodiversity conservation, USAID/Madagascar is working with local agencies to increase protection of existing natural areas, reduce forest loss, increase sustainable use of natural resources, develop sustainable financing mechanisms for Malagasy partner institutions, and develop and apply appropriate environmental policies and legislation.

The island of Madagascar has been cited as the highest biodiversity priority in Africa and among the top three global "biodiversity hotspots" by international conservation organizations. This biological importance makes Madagascar especially significant to the US for three main reasons: i) Madagascar is one of the premium places for increasing our knowledge of how evolution takes place; ii) Madagascar provides a storehouse of plants and animals not yet known to science that could lead to cures for major diseases; and iii) the forests of Madagascar provide an important carbon sink to combat the causes of global warming. However, Madagascar is the 13th poorest country in the world and its natural resources are under serious threat from poverty, population growth, deforestation and soil erosion. Degradation of the global environment increasingly threatens the economic and political interests of the United States and the world at large.

3. Key Results: USAID support focuses on achieving results in two broad areas: 1) fostering biodiversity conservation and sustainable natural resource management within ecologically significant landscapes; and 2) establishing sustainable environmental organizations and policies necessary for biodiversity conservation efforts. Both areas exceeded expectations for the year. Continued improvement was seen in field activities, with a growing number of villages participating in community-based conservation activities (Table 2), and the *Tany Meva Foundation* increasing its funding to local NGOs to improve natural resource management (Table 3). At the national level, an increased number of environmental permits were issued as a result of the completion of environmental impact studies review process (Table 4) and the National Park System extended the park area under its jurisdiction (Table 1).

4. Performance and Prospects: Through support to the National Park Service (ANGAP), USAID has improved the protection and management of natural habitats. By the end of 1999, 94% of ecosystems existing in Madagascar (as defined by ANGAP) were represented in the National Parks system, which now includes 1,718,544ha of land designated as National Parks, Special Reserves, or Strict Nature Reserves (Table 1). This is still ahead of predicted results, though the creation of new protected areas is on hold until the enactment of the Protected Areas Management Law, which will be submitted to the National Assembly in early 2000.

Sustainable use of natural resources by communities continued to improve this year. Building on lessons learned, USAID environment partners began adjusting their approach to working with local communities not only in the immediate periphery of protected areas, but also with other critical communities within priority eco-regions. The purpose is to address potential impacts on biodiversity-rich areas emanating from human pressures and to increase grass-root involvement in conservation. This R4 period, 222 villages participated in community-based conservation activities, exceeding planned levels (Table 2) by over 10%. USAID assistance to NEAP partners includes complementary programs to provide alternatives to slash and burn agriculture, such as new rice production technologies, agribusiness, and high value organic agricultural production. The first nine contracts were processed transferring management of forest resources from the Ministry of Water and Forest (MEF) to local community associations in two provinces, thereby providing concrete progress toward the GOM strategy of community forest management (Annex C, Global Climate Change, provides more details on the forestry sector). This year, activities have not only focused on strengthening the wise use and conservation of resources, but also linking these activities with the long-term sustainability of agricultural interventions.

A number of steps were taken this year to improve sustainable financing mechanisms for the environmental sector. First, USAID was instrumental in creating Africa's first private national environmental foundation, *Tany Meva* (Beautiful Country), which began grantmaking to local NGOs in late 1997. By 1999 USAID was providing only limited technical assistance to *Tany Meva* itself in such areas as improved financial systems and in funding diversification; as this R4 went to press, *Tany Meva* had been shortlisted for an integrated population-environment-health grant from the Summit Foundation. USAID assistance in 1999 focussed more on training recipient NGOs in proposal development and project management so that utilization of *Tany Meva* funding can be optimized. Since late 1997, *Tany Meva* has funded 85 separate projects undertaken by more than 50 local NGOs, using over \$500,000 of revenue generated from its core funds (Table 3). The grants are for a variety of activities, such as aiding small farmers living around protected areas to improve their sustainable agricultural techniques.

Second, USAID is working collaboratively with NEAP implementing agencies to strengthen institutional capacity and long-term financial sustainability of environmental institutions. By the end of this phase of the NEAP (EP2), ANGAP and MEF will have improved financial mechanisms; these will include a sustainable financing plan for ANGAP and national and regional forestry funds for MEF. Three Ecotourism Investment Zones are being developed to ensure land rights for private investors in the tourism industry while at the same time monitoring the impacts of those private investors on biodiversity-rich areas. With USAID's support, dialogue is improving collaboration between the mining and tourism sectors in promoting investment interests in southern Madagascar, an area which has experienced "gold rush" symptoms from new sapphire finds. For the first time in recent Malagasy history, representatives from these sectors came together to examine how they could collaborate to resolve issues and promote sound environmental standards for the region.

Development and application of environmental applications and procedures has improved over the past year. Data reported during this R4 period demonstrate that the Environmental Review Process is becoming better integrated into the thinking of potential investors, and the number of investment dossiers submitted continues to increase. To date the technical evaluation committee

has received 39 requests for approval since the beginning of the application of the MECIE law in 1996. Seven were formally reviewed and approved during the reporting period (Table 4). These results indicate the growing awareness of the importance of an environmental review.

Originally, only investments with obvious negative environmental impacts were submitted to review, however presently, dossiers submitted for review include private as well as public investment ranging from industrial and agricultural production to urban or civil infrastructure development. Furthermore, efforts to integrate environmental dimensions into the regional policy and development planning process have been widely accepted in southern Madagascar, which has the unique dry spiny forests that could be impacted by a potential mining project. The process has received the full support of local authorities and private investors in this region. The integrated planning methodology is an innovative model, and the International Association for Impact Assessment plans to present it to an international environmental assessment conference.

5. Possible Adjustment to Plans: USAID/Madagascar has experienced significant budget reductions against our planned levels which will impede the Mission's ability to attain results in a number of key areas. Given prior reductions in FY 1998 and 1999, USAID will terminate its support to the National Environment Office (ONE) and a regional development committee on a regional environmental assessment in the south, as well as an environmental policy advisor who has been instrumental in working with ONE and the Ministry of Environment on this and other environmental policy issues. Targets for IR 3.4, "Development and application of environmental policies, legislation, and procedures," will be adjusted accordingly. Additionally, USAID will terminate assistance in one of three eco-regions that contribute to IR 3.2, "Sustainable use of natural resources in broader landscapes," with concomitant revision downward for one of our four reported indicators and four of our seven additional indicators.

USAID will revise the overall biodiversity indicator (natural habitats contained in the Madagascar National Park System) to better reflect the full range of biodiversity conservation in compliance with international guidelines (established by IUCN - The World Conservation Union) on protected areas and biodiversity conservation (including definitions of natural habitat and a revised ecosystem classification system). It is expected that this new indicator will be presented in the FY 2003 R4.

6. Other Donor Programs: USAID plans to provide \$22 million in direct support to the \$150 million EP2 over its five-year life. This makes the US the second largest donor in EP2 after the World Bank, which provides institutional support and addresses problems of soil and water conservation. In addition, the USG provides indirect support for sustainable development and financial sustainability activities. Switzerland and Germany are promoting the implementation of the GOM forest policy. UNDP supports biodiversity conservation and coastal and marine activities through the Global Environment Facility. France supports the establishment of environmental information management and improved land tenure systems. The GOM supports the NEAP by providing 20% of EP2 costs through contributions to operating costs and tax reductions. Other donors include the International Fund for Agricultural Development, World Wild Fund for Nature (WWF), Conservation International (CI), CARE, and the Netherlands.

7. Principal Contractors, Grantees or Agencies: Pact, WWF, CI, Chemonics, International Resources Group, International Rice Research Institute, the Peace Corps, US Geological Survey, Montana State University, Cornell University.

NR Performance Data Table 1

Objective name: Biologically Diverse Ecosystems Conserved in Priority Zones			
Objective ID: 687-003-01			
Approved: July 18, 1997		Country/Organization: USAID/Madagascar	
Result name: SO Level: Biologically Diverse Ecosystems Conserved in Priority Zones			
Indicator: Natural Habitat Contained in Madagascar National Park System			
Unit of measure: Hectares Source: Ministry of Water and Forests; Published Decrees for National Parks Indicator description: Cumulative figures are reported for this indicator which show the number of hectares of natural habitat designated within the protected area network, which include National Parks, Special Reserves, or Special Nature Reserves (all are IUCN protected area category I or II). Preliminary figures are initially reported when dossiers are forwarded to the National Assembly and finalized (validated) after publication of decrees in the Official Journal of Madagascar. Validation of information is based on the Malagasy legal definition of protected area status as gazetted in the Official Journal. Comments: (a) Boundary changes (from those referenced in earlier R4s) are based on an update of all aerial measures using a geographic information system (GIS) during the USAID SAVEM project (1991-1996) which resulted in redefinition of actual areas for prior years. (b) This figure presents the final hectareage passed in 1997 and published in the legal decrees in 1998. (c) The equal planned figures for 1997 and 1998 reflect efforts in 1998 to focus on the enactment of a critical and innovative National Parks Act. During the development of this legislation the GOM placed a "hold" on the creation of new parks. (d) 1998 figures present a decrease of 100ha due to a change in status and redefinition of boundaries from the former Marojejy Strict Nature Reserve #12 (60,150ha) to the Marojejy National Park (60,050ha). The change reflects the increased effort by ANGAP to ensure community participation in parks delimitation. Final figures as published in the Official Journal. (e) This statistic is based on extension of Mantadia National Park from 10,000ha to 13,075ha as officially recorded by the Ministry of Water and Forests. No new protected areas were created during the reporting period because the new protected areas law and the instruments to effectively implement it are still in the finalization process. (f) During the coming year, USAID will revise the overall biodiversity indicator (Natural habitats contained in the Madagascar National Park System) to better reflect the full range of biodiversity conservation in compliance with international guidelines (established by IUCN - The World Conservation Union) on protected areas and biodiversity conservation (including definitions of natural habitat and a revised ecosystem classification system).	YEAR	PLANNED	ACTUAL
	1989(B) 1996		1,080,175 ^(a) 1,125,867 ^(a)
	1997	1,500,000 ^(c)	1,715,569 ^(b)
	1998	1,500,000 ^(c)	1,715,469 ^(d)
	1999	1,600,000	1,718,544 ^(e)
	2000	1,750,000 ^(f)	
	2001	1,800,000 ^(f)	
	2002	1,800,000 ^(f)	

NR Performance Data Table 2

Objective name: Biologically Diverse Ecosystems Conserved in Priority Zones			
Objective ID: 687-003-01			
Approved: July 22, 1998		Country/Organization: USAID/Madagascar	
Result name: IR3.2: Sustainable Use of Natural Resources in Broader Landscapes			
Indicator: Number of Villages in Priority Zones Participating in Community-Based Conservation Activities			
Unit of measure: Total Number of Villages Source: Project-Activity and Field Reports Indicator description: <i>Villages</i> are the smallest geographically discrete rural settlements (Fokontany) that are mapped and/or identified in the national census. <i>Community-based conservation</i> activities are those activities undertaken at the community level directed at the sustainable management and use of natural resources for local development. Sustainable management, as used by USAID/Madagascar, means the wise use of natural resources such that the productive capacity, health and vitality of the natural resources contained in a predefined management area can be maintained for an indefinite period of time. This working definition relates specifically to environmental conditions, attributes or functions, and to the values or benefits associated with the environmental and socioeconomic goods and services that natural resources provide. Comments: We have chosen to track "villages" instead of households for labor and cost efficiency. (a) The 1996 benchmark measure was derived from final reports and field surveys of villages where one or more groups are carrying out a conservation-development intervention in the periphery of five USAID supported National Parks (Andohahela, Zahamena, Andasibe/Mantadia, Ranomafana, and Amber Mountain complex). Community-based conservation activities in these villages at the close of the USAID project SAVEM (1996) and during the transitional phase (1997) form a basis upon which future efforts can geographically expand to community participation in resource conservation across the broader landscape. (b) This figure does not include 31 villages that were participating in the <i>Veterinarians without Borders</i> (VSF) program, as they will not be financed by USAID in the future. These villages were included in the 1997 figure reported in the FY2000 R4. (c) This result is due to interventions by three USAID partners: Landscape Development International in three priority eco-regions of USAID, the <i>Tany Meva Foundation</i> , and Conservation International conservation and development interventions. These interventions are carried out through USAID partner involvement with 26 local NGOs and public institutions. USAID interventions in this area continue to remain ahead of schedule, although as noted in the R4 text, targets will need to be revised downwards once the expected budget cuts to the program are made.	YEAR	PLANNED	ACTUAL
	1989(B)		0
	1996		129 ^(a)
	1997		144
	1998	150	160 ^(b)
	1999	200	222 ^(c)
	2000	300	
	2001	400	
	2002	500	

NR Performance Data Table 3

Objective name: Biologically Diverse Ecosystems Conserved in Priority Zones			
Objective ID: 687-003-01			
Approved: July 18, 1997		Country/Organization: USAID/Madagascar	
Result name: IR3.3: Sustainable Financing Mechanisms Mobilized			
INDICATOR: Financing provided for Local Environmental Actions by the Malagasy Environmental Foundation “ <i>Tany Meva</i> ”			
<p>Unit of measure: Current Million Malagasy Francs (FMG). The current exchange rate is 6500 FMG to 1 US dollar.</p> <p>Source: <i>Tany Meva</i> Financial Reports and annual external financial audits of the Foundation</p> <p>Indicator description: Cumulative amount of grants disbursed to date by <i>Tany Meva</i>. Final data are validated by annual external financial audits of the Foundation.</p> <p>Comments: (a) Preliminary figure for 1997, used in the FY 2000 R4. The low figure reflects the fact that <i>Tany Meva</i> did not start disbursing grants until October 1997. (b) Adjusted figure for 1997 based on annual external financial audit (3/98) and <i>Tany Meva</i> financial reports. (c) Preliminary (unaudited) figure for 1998, reported in R4 Fy2001. (d) Final 1998’s figure based on the <i>Tany Meva</i> annual external financial audit. (e) Preliminary (unaudited) figure for 1999, but taking into account the final audited figure of 1998.</p> <p><i>Tany Meva</i> underwent a complete restructuring over the past year, which should allow it to operate in a more efficient manner. As another highlight to its success as a local grant making institution in Madagascar, <i>Tany Meva</i> was chosen in an open, competitive process to be the small grants management organization for the Pact/MIRAY small grants for biodiversity conservation and development activities within the framework of the EP2. The foundation is also working to diversify its funding base by submitting proposals to international foundations such as the US-based Summit foundation, for which <i>Tany Meva</i> has been shortlisted for an integrated population/environment/health project.</p> <p>It is important to point out that <i>Tany Meva</i>’s financial statements from 1997 and 1998 were certified by an external auditing firm with an unqualified opinion. Therefore the statements present fairly, in all material respects, the financial position in accordance with Malagasy generally accepted accounting standards. This is a positive reflection on <i>Tany Meva</i>’s capability to account for its funds and that it has adequate internal control systems.</p> <p>The Foundation expects that the addition of the new activities above, along with the continued maturing of its relationship with local NGOs, will strengthen its ability to act as a stimulus for a broad base of local conservation and environmental actions.</p>	YEAR	PLANNED	ACTUAL
	1997(B)		725 ^(a) 801 ^(b)
	1998	2000	2361 ^(c) 2327 ^(d)
	1999	3250	3354 ^(e)
	2000	4000	
	2001	4750	
	2002	5500	

NR Performance Data Table 4

Objective name: Biologically Diverse Ecosystems Conserved in Priority Zones			
Objective ID: 687-003-01			
Approved: July 18, 1997		Country/Organization: USAID/Madagascar	
Result name: IR3.4: Development and Application of Environmental Policies, Legislation and Procedures			
Indicator: Number of Investment Projects Passed Through Environmental Review			
Unit of measure: Number of investment projects. Source: National Office for the National Environment (ONE) Indicator description: Investment projects approved by the Technical Evaluation Committee (CTE), under the National Program, to make investments compatible with the environment (MECIE). Starting with 1999 reporting cycle, data are validated by receipt of official letters of determination delivered by ONE. Comments: (a) CSP planned level. (b) Figure based on the ONE MECIE tracking report. (c) In 1998, ONE improved its tracking system by sending official "Avis Environmental" (determination letters) as an official response to investors when a dossier is determined to have completed the EA review process undertaken by CTE. ONE sent five such letters in 1998, for EAs completed 1998. (d) Figure reported is based on the "Avis Environmental". (e) Based on the current pace of the reviews and the nature and size of the investment dossiers submitted to ONE, a planned target for 2002 was established to be same as in 2001. Data reported during this R4 period demonstrate that the Environmental Review Process is becoming better integrated into the thinking of potential investors. The number of investment dossiers submitted continues to increase. To date the technical evaluation committee has received 39 requests for approval since the beginning of the application of the MECIE law in 1996. A technical review takes several months to over a year to complete for small dossiers, and up to three years for large dossiers. Planned figures account for the number undergoing review and the time needed for technical reviews. Our future prediction reflects the expectation of large, time-consuming dossiers being undertaken. Private investors as well as public are increasingly requesting assistance from ONE for environmental protection. Based on these requests, ONE opened an "Environmental Nuisance and Pollution" unit. In the first operational year, the unit has recorded 23 official complaints and opened four dossiers, which range from industrial pollution to landscape destruction. Due to the volume of requests, the law governing industrial pollution was updated in early 1999 and legally decreed in August 1999.	YEAR	PLANNED	ACTUAL
	1996(B)		0
	1997	2 ^(a)	4 ^(b)
	1998	4	5 ^(c)
	1999	5	7 ^(d)
	2000	6	
	2001	8	
	2002	8 ^(e)	

III. RESOURCE REQUEST

A. PROGRAM FUNDING REQUEST BY OBJECTIVE

USAID/Madagascar's proposed budget, operating expenses, and non-emergency Title II request for FY 2000 through FY 2002 respond to Administration and Congressional priorities. The program budgets for FY 2000 and FY 2001 presented in this R4 are consistent with the latest OYB and CP control levels. **We emphasize, however, that these control levels for our Special Objective in Democracy and Economic Growth (D&EG) and our Environmental Strategic Objective are lower than those provided in the CSP review cable and the FY 2000 R4 review cable that together form our management contract, and lower than those requested in the amended CSP of February 1998 as approved in June 1998. Nonetheless, following the guidance, we have used those control levels in our resource request for FY 2000 and FY 2001. We must point out, however, that unless these budget gaps are filled to our request levels, we will need to reduce the results we commit ourselves to achieving in this CSP cycle. The additional Child Survival and Disease (CSD) funding is being used effectively to improve family health but skews the Mission strategy towards treatment of the results of poverty rather than addressing its underlying causes. Unless this imbalance is addressed in the out-years, USAID Madagascar will not achieve the results to reduce poverty that were envisioned in this strategic plan.**

The table below serves as a reference for this discussion.

ANNUAL FUNDING COMPARISONS, USAID/MADAGASCAR, FY 1998-2002 CSP (Dollars 1,000)

		FY 1998	FY 1999	FY 2000	FY 2001 (est.)	FY 2002 (est.)	Total
SPO	CSP Request Level	2,000	2,200	2,800	2,500	2,500	12,000
	Congressional Presentation	2,000	2,200	1,900	2,213	2,800	11,113
	Actual OYB/Best Present Estimate	2,000	1,700	1,460	2,213	2,800	10,173
	Annual Funding Gap	0	-500	-1,340	-287	300	-1,827
SO 2 (HPN)	CSP Request Level	6,500	6,400	7,600	7,000	7,000	34,500
	Congressional Presentation	6,000	6,400	6,600	9,400	7,000	35,400
	Actual OYB/Best Present Estimate	7,100	7,326	7,500	9,400	7,000	38,326
	Annual Funding Gap	600	926	-100	2,400	0	3,826
SO 3 (ENV)	CSP Request Level	8,500	7,900	8,500	8,500	8,500	41,900
	Congressional Presentation	7,000	7,900	8,500	9,500	9,750	42,650
	Actual OYB/Best Present Estimate	8,500	7,200	7,556	9,500	9,144	41,900
	Annual Funding Gap	0	-700	-944	1,000	644	0
Total	Total CSP Request Level	17,000	16,500	18,900	18,000	18,000	88,400
	Total Actual/Expected OYB	17,600	16,226	16,516	21,113	18,944	90,399
	Total Annual Funding Gap	600	-274	-2,384	3,113	944	1,999

Annual Funding Gap = CSP Request Level Minus Actual OYB or Best Present Estimate

Democracy and Economic Growth Resource Gap: Our D&EG team, already hampered by budget cuts endured in prior years, is now facing an unprecedented budgetary challenge as it attempts to maintain progress toward planned results. The \$2.5 million annual budget planning level foreseen in the management contract when our 1998-2002 CSP was approved in July 1997¹ has never been provided. As FY 2000 dawned, our D&EG team was already facing a cumulative gap of \$500,000 between the amount required for the two prior years of our strategy (\$4.2 million) and the amount actually provided (\$3.7 million). Our FY 2000 CP planning level of \$1.9 million would have *increased* this funding shortfall by \$900,000. We were then stunned to receive an actual OYB level for this Objective of just \$1.566 million.² By the end of FY 2000, then, the total funding gap for this objective will have reached \$1.734 million representing a 25 percent reduction (\$5.266 million actually provided versus \$7.0 million foreseen in the management contract).³ Our FY 2001 CP level of \$2.213 million, while an improvement over the FY 2000 OYB, will increase the funding gap still further.

If present funding scenarios hold, we simply cannot continue to fund all efforts planned under this SPO. Instead, rather than attempt to continue skeleton efforts in all sectors, we will be forced to make some painful choices:

- **Microfinance:** Beginning immediately, we will cease all further commitment of new funds for microfinance activities. In particular, we will reprogram to our Environmental SO (the funding needs of which are no less dire than those of our D&EG SPO) \$106,000 in unrestricted FY 2000 EG funds that we had tentatively slated to support these initiatives. Unless our proposal for FY 2000 PRIME resources is funded, our work in the microfinance sector will end. Our efforts to help improve the internal management systems of the Savings Bank of Madagascar (*Caisse d'Epargnes*, or CEM) and allow that institution to complete its legal and institutional transformation to a company independent of the GOM will also end. PRIME funds would enable the CEM to deepen its role in the provision of microfinance services by extending the reach of the financial system to small savers and borrowers. It would be highly unfortunate if we were forced to cease working with this institution (which provides virtually the only source of savings mobilization for some six percent of Madagascar's adult population), in light of this wide reach and the dire need to expand savings both at the national level and to meet the financial credit needs of the poor. Having made this choice, we will be unable to achieve planned targets for the following indicators for IR1.1.2, "Expanded Access to Financial Services:"
 - [An increased] number of clients at the Savings Bank of Madagascar;
 - [An increase in] total deposits at the Savings Bank of Madagascar; and
 - [Improved] profitability/sustainability of the Savings Bank of Madagascar.

¹ See 97 State 135276 of July 18, 1997, paragraph 14 and 98 State 133032 of July 22, 1998, E.(3).

² With reference to the table on the preceding page, the \$1,460,000 on the table represents the \$1,566,000 provided less \$106,000 in EG funding that the Mission will move from the SPO to the Environmental SO, as explained later in the text.

³ The figure of \$3.7 million actually provided includes \$300,000 in additive funding from the Education for Democracy and Development Initiative (EDDI) that the mission is using to continue and expand work launched under the Leland Initiative to extend Internet connectivity throughout Madagascar; in this case, to our education and civil society partners. While these funds are very much needed and appreciated, their presence in our calculation of the funds available for our D&EG SPO masks the real extent of the shortfall for this Objective's core activities.

- **LRJ:** After FY 2000, our efforts will focus only on Madagascar's most urgent needs in the legal, regulatory, and judicial reform sector. We will concentrate our Democracy and Governance (DG) funds on those areas in which USAID has proven it has a clear comparative advantage and which are not being addressed by other donors. These include alternative dispute resolution, improving the administration of the court system, reducing backlog in the court system, and several promising anti-corruption efforts. We will reluctantly have to withdraw from several promising initiatives in the field of commercial law reform; e.g., reform of the Bankruptcy and Leasing Laws. We will therefore have to scale back our estimates of the extent to which we will contribute to achieving planned targets in terms of "Laws modernized in major areas of business law," of the approved CSP intermediate result "1.1.1, More Conducive Legal, Policy, and Judicial Framework for Business."
- **Trade and Investment:** If the \$800,000 in FY 2000 ATRIP funding we have requested is not approved, we will immediately reprogram the \$180,000 we have slated to match that contribution, and will also immediately cease all new commitment of funds to planned work in the area of trade and investment promotion. This would make us unable to achieve planned targets under the approved CSP intermediate result "1.1.3, Improved Trade and Investment Regime." In particular, we would be unable to contribute to Madagascar's ability to meet WTO participation requirements. More broadly, this action would mean that Madagascar would not receive the benefit of planned technical assistance and policy analysis at a time when it is struggling to make difficult policy decisions that will allow it to participate more fully in the international trading system and thus the world economy. Given the ever-expanding importance of trade and investment as engines of economic growth, and thus of poverty alleviation, this would be extremely unfortunate.

To offset the shortfalls and consequences summarize above, we have submitted requests for funding from PRIME, ESF, and ATRIP sources. We appreciate the opportunity afforded to Madagascar by these initiatives, but note that developing and tracking them takes additional scarce management time. We are troubled by the management approach that takes scarce DG and EG resources away from approved bilateral Country Strategies, reprograms them to central or regional initiatives, and then obliges bilateral missions to spend scarce staff time developing proposals to seek funding from those initiatives in effect to carry out their approved strategies. We ask the Bureau for its full support to restoring the bilateral DG and EG funding to its full CSP levels or, if that is not possible, assuring that Madagascar's proposals for PRIME, ESF, and ATRIP resources receive favorable consideration.

Environmental SO (SO3): During the past two years, USAID/Madagascar's SO3 has experienced budget reductions. This year's modified OYB of \$7.45 million⁴ will increase the cumulative gap to \$1.75 million (\$23.15 million provided as compared to \$24.9 million required, excluding the \$106,000 that will be shifted from the SPO).⁵ This funding gap will seriously

⁴ Per an e-mail from AFR/DP of March 7, our FY00 OYB was increased from \$6.95 million to \$7.45 million. We appreciate this prompt Bureau action in response to our concerns.

⁵ In fact, the real funding shortfall is worse, for only \$21.65 million in Environmental funds will have been provided in FYs 1998-2000. The difference of \$1.5 million is accounted for by EG funds provided in FY98 to meet the

affect achievement of planned results. With the reduction that has already taken place in FYs 1998 and 1999, our work to support the National Environment Office (ONE) and the first application of the environmental impact legislation to regional development planning in Ft. Dauphin Province will end. This pilot regional environmental assessment examines the environmental impact of a proposed \$400 million ilmenite mine on this fragile, endemic, dryland forest. Thus, the planned USG contribution to a larger World Bank financed regional development plan will be terminated. A long-term environmental policy advisor who has been working with the National Environment Office (ONE) and the Ministry of Environment on this program and other environmental policy issues will be terminated. Targets for IR 3.4, “Development and application of environmental policies, legislation, and procedures,” will be adjusted downward.

Additionally, USAID will close, or significantly reduce, the Landscape Development Interventions (LDI) project office and support to conserving Mahajanga’s fragile dry forest ecosystem. A high potential agricultural production area known for its massive erosion problems (this is where the astronauts saw the red soil flowing out of Madagascar from space) and deforestation of the remaining dry forest, our efforts to introduce non-traditional high value crops, alternative energy source and technologies to reduce erosion and conserve biodiversity will be terminated. This closure will effect our ability to achieve IR 3.2, “Sustainable use of natural resources in broader landscapes.”

With the cuts proposed, we will revise SO3 indicator targets downwards for one of our four reported indicators and four of our remaining seven indicators (which are not reported in the R4 but still tracked).

Again, in order to offset the shortfalls and mitigate consequences of the planned reductions, the Mission is investigating possible use of alternate resources to help achieve our planned results. Chief among these are monetized P.L. 480 Title II resources to: i) create an endowment for the National Parks Service to assure sustainable financing in the future, and ii) support rehabilitation of productive infrastructure in the ecologically important landscapes including the southern railroad (FCE) and farm to market road infrastructure severely damaged by the recent cyclones, Eline and Gloria. Subject to planned analyses, USAID may submit a proposal for additional Title II resources during FY 2001, and we ask for your full support in assuring the proposal is favorably received.

Pipeline Levels and Agency Guidelines: Given present expenditure estimates, by the end of FY 2000 our pipelines at the SPO and SO levels will be within Agency guidelines; i.e., we may reasonably expect to expend all obligations made in any given Fiscal Year over the remaining life of our strategy before the end of the following Fiscal Year. Note that our pipeline analysis uses projected expenditure estimates for FY 2000, 2001, and 2002 rather than the formula provided in ADS 602.5.4. Currently projected expenditure figures rather than the average expenditures (burn rate) for the previous three fiscal years provides a more accurate representation of our pipelines.

requirements of our Commercial Agricultural Development Project’s final year. While these funds were nominally attributed to our SO 3, in fact they were not obligated through our SOAg.

Relationship of Program request to O.E. and Staffing: USDH staffing is constant at eight positions for the plan period. FSN staffing reflects an increase in one O.E.-funded position beginning in FY 2000, to replace the TCN Personnel Officer being discontinued due to budgetary constraints (for no net gain in overall levels). One new Program-funded FSN position is under consideration for FY 2000 to replace the departing TAACS for the HPN team. Staffing is otherwise constant and adequate to manage the program.

B. Operating Expenses, Security/Moving, Staffing, and CIF

The O.E. budgets for FY 2000, 2001, and 2002 reflect the assumption that USAID will relocate its offices early next fiscal year, and that supplemental funding for moving and security will be provided for this purpose beginning in FY 2000. Our total O.E. request for FY 2000 is the AFR-provided level of \$2,150,000 (which is less than our FY 1999 level), plus the \$2,454,000 for moving and security costs, described below, for a total of \$4,604,000.

The table below serves as a reference for this discussion.

**Summary USAID/Madagascar Security/Moving Expenses, “Core” O.E., and CIF
FY 2000-2002 (U.S. Dollars)**

Item	FY 2000	FY 2001	FY 2002
New Leases	154,000	*	*
Moving costs		100,000	
Perimeter Wall	400,000		
Security Enhancements	1,000,000		
Rehabilitation Costs	900,000		
Fix-up Costs		100,000	
Total Security/Moving Costs	2,454,000	200,000	
“Core” O.E.Levels	2,150,000	2,293,000	2,333,500
CIF		133,000	92,500
Total Funding Required by Year	4,604,000	2,626,000	2,426,000

* NOTE: Lease costs for FY 2001 and FY 2002 are included in “core” O.E. levels.

1. Security/Moving Expenses

USAID/Madagascar’s current office location does not meet minimum-security requirements. The Mission in FY 1999 used mission funding and security supplemental funds to increase our setback from zero to 100 ft on the back and side perimeters and for other security related enhancements. The GOM will be temporarily re-routing traffic (estimated to end in August 2000 when the road in question is rehabilitated) as another short-term security measure to increase front setback from zero to 60 ft. These measures improve forced entry and setback but fall short of current diplomatic security standards. Even with these improvements, the Office of Security still lists Madagascar among the three Missions in Africa on the critical list for immediate re-location. The GOM has offered the IMATEP campus as an alternate location. The Diplomatic Security bomb blast analysis is complete and the Post is negotiating with the GOM and other

entities to obtain control over the additional properties required for setback. Rental of these properties, road re-routing, and security up-grades are estimated at \$2,654,000. Without this additional funding, the mission will not be able to move to a secure location.

In order to move into the new offices by no later than the end of calendar year 2000 we are required to begin rental of the new property by May 2000. This will allow adequate time to make the necessary security and rehabilitation enhancements to the new property and build the perimeter wall to effect a move during the first quarter of FY 2001. It is assumed that \$2,454,000 of security, rehabilitation and other costs associated with the move would be funded during FY 2000 and \$200,000 during FY 2001, by additive resources to our “core” O.E. level.

In order to provide a clear picture of the “core” O.E. level and the costs associated with the move to the new offices we have provided two separate budgets for FY 2000 and FY 2001; one reflects the “core” O.E. and the other shows the **additional** requirements to enable the mission to effect the move (Security/Moving costs). The Security/Moving costs are preliminary estimates and reflect the mission's best estimate at this time.

As we are uncertain at this time as to the square feet to be occupied by O.E. and program funded personnel, we have used the current ratio to estimate the O.E. share of the rent and other allocated costs and have assumed relatively equivalent utility and communication costs. We have straight-lined the local currency exchange rate used as we believe that in most cases the continuing devaluation of the Malagasy local currency will offset the average rate of inflation.

2. “Core” O.E. and Staffing

Recent changes in the forward funding guidance as stipulated in ADS 603 reduced our “core” FY 2000 budgetary needs. Unfortunately these savings will not be sufficient to cover all our requirements during the current FY. To live within the FY 2000 funding level of \$2,150,000 we were required to make some difficult management decisions: elimination of some planned training activities, discontinuance of the TCN personnel officer position (although this will require some repatriation costs this FY), adjustments in the funding of our FSN personnel, leaving vacant the USPSC resident hire deputy EXO position, not providing any USPSC controller, CO, nor EXO coverage during their R&R, and limiting NXP. These cuts enable us to meet the FY 2000 level. Our Security/Moving costs are additional to this. With these reductions to meet the FY 2000 control level, we are able to maintain the financial and program integrity of our activities.

We maintain USDH at eight positions for the plan period. Our FY 2000 budget includes the continuance of a full-time USPSC resident hire for the Program Development Assessment Office (PDA) to help ensure the critical program oversight work of that office and to cover the anticipated gap following the departure of the office chief this summer and the arrival of a replacement as yet unidentified. In order to meet our O.E. levels for FY 2001 and FY 2002, we reluctantly must plan to cease funding this important position effective early FY 2001.

A 40% FSN salary increase was effective 9/99 and is reflected in the FY 2000 budget. O.E. budget and staffing for FSNs reflect an increase in one position beginning in FY 2000, to replace

the TCN Personnel Officer being discontinued due to budgetary constraints. One new Program-funded FSN position is under consideration for FY 2000 to replace the departing TAACS for the HPN team.

To meet the FY 2001 and FY 2002 levels requires the Mission to again make some difficult management decisions. We need to eliminate the USPSC RH PDA position effective 10/2000. In addition, we have ceased all planned English language training for our FSN staff, decreased our NXP requirements by approximately 32%, reduced the period of the USPSC coverage for the Controller's Office while the Controller is on H/L in FY 2001 by 25%, and varied our assumptions regarding our planned transfers and the mix of incoming USDH family members and educational requirements.

The O.E. budgets for both FY 2001 and FY 2002 (excluding Security/Moving in FY 2001) reflect the level of \$2,426,000 provided by AFR/DP, and with the implementation of required cuts in both human and monetary resources we should be able to maintain our current operations and fully support our SPO and two SOs. These budgets assume we move to new office facilities and fully fund the move and associated security and rehabilitation enhancements from the supplemental funding of \$2,454,000 and \$200,000 that would need to be provided in FY 2000 and FY 2001, respectively. FY 2001 budget needs include \$2,293,000 "core" O.E.; \$200,000 Security/ Moving; and \$133,000 CIF, for a total of \$2,626,000. FY 2002 budget represents a straight-lining of FY 2001 levels as per AFR/DP guidance and includes \$2,333,500 "core" O.E. and \$92,500 CIF and is estimated at \$2,426,000.

FY 2001 "core" O.E. needs of \$2,293,000, represents an increase of 7% over the FY 2000 "core" level. Special personal services payments object class (OC) increased by 6% and is primarily the result of FSN PSC salaries being funded for only 21 pay periods in FY 2000, step increases, a 5% salary increase over and above continuing devaluation of local currency, and partial US PSC Controller coverage during home leave. Some of these increases were offset by the elimination of the TCN and USRH PSC positions. The personnel benefit line item decreased by 44%. This is the result of no TCN and USRH PSCs, which is partially offset by USPSC controller coverage and reductions in estimating educational requirements for dependents. Travel and Transportation of Persons represents a decrease of 8% based on reductions in R&R counts. Transportation of things increased by 27%, which is primarily caused by the three USDH transfers occurring in FY 2001. Rental payments to others increased by 29%, which represents a full leasing year at the new office site. Communications, utilities, and miscellaneous charges increased by 18% and supplies and materials increased by 8% and are primarily the result of expected increases in the cost of fuel. Other services mainly represent a 24% increase to the manpower contracts for basically the same reasons as noted under the OC special personal services payments. ICASS (OC 25.3) increased by 8% due to projected changes in the mix between State and ICASS counts. The 8% decrease in the equipment line item is due to the fact that FY 2001 ADP software and hardware costs are included in the CIF costs.

FY 2002 O.E. budget, excluding CIF, is projected at \$2,333,500 resulting in a slight increase of \$40,500 over FY 2001 estimated "core" levels. "Core" O.E. and CIF levels, when combined, are in line with the mandated AFR/DP levels. Personnel benefits decreased by 12% and exclude any USPSC Controller coverage for FY 2002. Transportation of things decreased by 59%, which

reflects no assignment transfers for FY 2002. Other services reflects an increase of 8% which reflects an increase in projected Manpower contract costs and the result of USAID assuming residential day guards costs effective FY 2002. In previous years, these costs were covered by the Embassy security supplemental. ICASS costs increased by 11% and is primarily the result of USAID picking up its share of security costs effective FY 2002. Equipment shows an increase of 18% and includes necessary deferred equipment and vehicle procurement.

3. Capital Investment Fund (CIF)

The funding required for the CIF for FY 2001 and 2002 represents mission's hardware, software, and security radio needs. Many of our computers will be at least five years old; our servers will be three years old and will need to be replaced; and our software will need upgrading. Note that the hardware and software requirements would be over and above any needs associated with implementing the new accounting system. It is assumed at this time that any hardware and software costs needed to implement the new accounting system will be funded outside our regular O.E. requirements. In addition, the mission has no information on the costs associated with implementing the new accounting system. Please note that the CIF includes the proposed upgrade to our radio system but does not include any security enhancements nor rehabilitation to our offices.

In keeping with our strategy to keep our costs at minimal effective levels, FY 2002 CIF costs reflect a decrease of 30% from FY 2001 CIF estimates. It is assumed that all associated security, renovation, and moving costs pertaining to the new office building and relocation would be funded primarily in FY 2000 and residually in FY 2001 from supplemental security resources. Please see Security/Moving table for details by OC.

Annex A: Updated Results Framework

Country/Organization Name: **USAID Madagascar**

a. Objective Name: **Improved Environment for Private Initiative**

Proposed newly reported indicator at SO level? No ☐ Yes ☒

This indicator was in the original PMP for the SPO but not previously reported in an R4. It is reported this year in response to the FY 2001 R4 Review Cable suggestion for an SPO-level indicator.

Objective ID	Objective Name	IR Number	IR Title
687-001-01	Improved Environment for Private Initiative	SPO-Level	N/A
Current Indicator Name:		Number of new firms created each year (not previously reported in an R4)	
Newly Reported Indicator :		Number of new firms created each year (newly reported indicator FY 2002)	
		Target Data	
1997 (Baseline)		1019	
2001		1492	
2002		1641	

IR1.1: Improved legal, financial, and policy conditions for trade and investment

Proposed newly reported indicator for FY2003? No ☒ Yes ☐

IR1.2: More informed public participation in economic and legal issues

Proposed newly reported indicator for FY2003? No ☐ Yes ☒

The indicator “Key actions taken by powerholders to increase communication and dialogue with civil society on economic and legal issues” may be revised during FY 2000 and presented in the FY 2003 R4 following transition to the second phase of activities in support of this IR.

Objective ID	Objective Name	IR Number	IR Title
687-001-01	Improved Environment for Private Initiative	1.2	More informed public participation in economic and legal

			issues
Current Indicator Name:	Key actions taken by powerholders to increase communication and dialogue with civil society on economic and legal issues.		
Newly Reported Indicator :	To be developed (TBD).		
	Target Data		
(Baseline)	TBD		
2001	TBD		
2002	TBD		

Country/Organization Name: **USAID Madagascar**

b. Objective Name: **Smaller, Healthier Families**

Proposed newly reported indicator at SO level? No ☐ Yes ☒

This indicator was in the original PMP for the SO at the Family Level (IR 2.1). It was subsequently shifted to an SO-level indicator, and last reported in the FY 2000 R4. It is again reported this year in response to the FY 2001 R4 Review Cable suggestion to change reporting from “Couple Years of Protection (CYP) provided by contraceptive methods” to Contraceptive Prevalence Rate.

Objective ID	Objective Name	IR Number	IR Title
687-002-01	Smaller, Healthier Families	SO-Level	N/A
Currently Reported Indicator Name:	Couple Years of Protection (CYP) provided by contraceptive methods.		
Newly Reported Indicator :	Contraceptive Prevalence Rate for modern methods, women in union 15 to 49 years (newly reported indicator FY 2002)		
	Target Data		
1992 (Baseline)	5.1%		
2001	14.0%		
2002	15.0%		

IR2.1: Family Level: Increased use of services and healthy behaviors.

Proposed newly reported indicator for FY2003? No ☒ Yes ☐

IR2.1: Community Level: Increased community participation leading to improved health and food security

No ☒ Yes ☐

IR2.3: Health Center Level: Increased access to quality health services.

No ☒ Yes ☐

IR2.4: Institutional Level: Increased capacity to plan and manage programs.

No ☒ Yes ☐

IR2.5: Policy Level: Improved policies, program advocacy, and decision-making.
No X Yes ☐

Country/Organization Name: **USAID Madagascar**

c. Objective Name: **Biologically Diverse Ecosystems Conserved in Priority Conservation Zones**

Proposed newly reported indicator at SO level? No ☐ Yes ☒

During the coming year, USAID will revise the overall biodiversity indicator “Natural habitats contained in the Madagascar National Park System)” to better reflect the full range of biodiversity conservation in compliance with international guidelines (established by IUCN – The World Conservation Union) on protected areas and biodiversity conservation (including definitions of natural habitat and a revised ecosystem classification system).

Objective ID	Objective Name	IR Number	IR Title
687-003-01	Biologically Diverse Ecosystems Conserved in Priority Conservation Zones	SO-Level	N/A
Current Indicator Name:		Biologically diverse ecosystems conserved in priority zones.	
Newly Reported Indicator :		To be developed (TBD) during FY 2000 for reporting in the FY 2003 R4 to assure that Indicator is in compliance with international guidelines established by IUCN, The World Conservation Union.	
		Target Data	
(Baseline)		TBD	
2001		TBD	
2002		TBD	

IR3.1: Improved management of critical biodiversity habitats.

Proposed newly reported indicator for FY2003? No ☒ Yes ☐

IR3.2: Sustainable use of natural resources in broader landscapes.

No ☒ Yes ☐

IR3.3: Sustainable financing mechanisms mobilized.

No ☒ Yes ☐

IR3.4: Development and application of environmental policies, legislation, and procedures.

No ☒ Yes ☐

Annex B. Environmental Impact & Compliance Information (March 14, 2000)

Component 1. Plan for new or amended IEE or EA actions for coming year. Planned Reg 216 actions are listed in FY 00 column in the Table below. The Mission plans to submit to the Bureau Environmental Officer (BEO) two IEE amendments for approval. These two IEE amendments will be submitted to the BEO in May of 2000. Details follow:

IEE Amendment: The original SO2 IEE (26madso2.iew) was written in 1996. At this time all activities not fully defined were recommended for Deferral since the ESF was not yet in place. An amendment will be submitted to BEO for approval in May of 2000 to introduce the use of ESF for activities proposed by grantee which are recommended for Deferral under the current IEE.

The original SO3 Results Package #1 IEE (27mad31.iew) was written in early 1998. Some activities not then fully defined, merit Categorical Exclusions and should not be subject to the umbrella screening and review process prescribed therein. These have been documented for the files. An amendment will be submitted to BEO for approval in May of 2000 to formalize this situation.

Component 2. Compliance with previously approved IEEs or EAs. All Mission activities are in compliance with their corresponding approved IEEs, as reflected in the FY 99, FY 00 and Comments columns below.

USAID/MADAGASCAR ENVIRONMENTAL REVIEW STATUS, PLANS AND SCHEDULE

ASSISTANCE ACTIVITIES	FY 99 and previous	FY 00	Comments
SPO Improved Environment for Private Initiative			
SPO-level/SPOAG IEE for all activities (29mad1.iew). Most of activities operating under the two previous projects IEEs: Participation & Poverty (26mad1.iew) and Financial Market Development (687-0121) are currently operating under the SPOAG IEE (29mad1.iew).	Participation and Poverty (P&P) IEE (26mad1.iew) and Financial Market Development (FMD) IEE signed by BEO on 03/15/93 amended to become the Special Program Objective (SPO) IEE (29mad1.iew) with Cat.Ex. All activities are in compliance with the approved IEE.	No action anticipated.	Cat. Ex. status will be monitored to ensure that any grants or cooperative agreements will incorporate provisions that the activities to be undertaken will be within the envelope of the recommended Cat. Ex.
SO2 Smaller, Healthier Families			
SO-level/SOAG IEE for all activities (26madso2.iew).	All activities are in compliance with the corresponding approved IEE.	SOAG IEE (26madso2.iew) will be amended to introduce the use of ESF for all activities proposed by a grantee which are recommended for Deferral under the current IEE. An amendment will be submitted to BEO for approval in May of 2000.	Continue to monitor the Negative Determination recommended for all activities related to rehabilitation (i.e. less than 1,000 sq.m.).
SO3 Biologically Diverse Ecosystems Conserved in Priority Conservation Zones			

<p>SO-level: SO3 has two Results Packages (RPs). Each RP operates under its own IEE. RP1 (27mad31.iew) and RP2 (27mad32.iew)</p>	<p>99 IEE: Cat. Ex. recommended for activities fully defined under IR 3.2. All activities are in compliance with the corresponding approved IEEs</p>	<p>The original RP1 IEE (27mad31.iew) was written in early 1998. Some activities not then fully defined, merit Categorical Exclusions and should not be subject to the umbrella screening and review process prescribed therein. These have been documented for the files. An amendment will be submitted to BEO for approval in May of 2000 to formalize this situation.</p>	<p>Continue to monitor NGO or PVO grants or subgrants or activities implemented by private sectors entities on an individual basis through the environmental screening and review mechanisms.</p>
<p>P.L. 480 Title II DAPs</p>	<p>CARE DAP IEE signed by BHR Environmental Officer 9/15/98 CRS DAP IEE signed by BHR Environmental Officer 9/15/98 ADRA DAP IEE signed by BHR Environmental Officer 9/14/98 All activities are in compliance with the corresponding approved IEEs.</p>	<p>CRS DAP will be amended to include one new intervention zone. Since the original IEE activities have not changed only an Environmental Status Report (ESR) will be prepared.</p>	

Annex C: Global Climate Change

As one of the lead donors in the National Environment Program, USAID Madagascar supports the USAID Global Climate Change Initiative (GCC), to reduce threats to sustainable development posed by climate change. Through support to Madagascar's National Environmental Action Plan, USAID contributes principally to the G/ENV GCC Result 2: *Reduce Greenhouse Gas Emissions from Land use, Forestry activities and Natural Resource Management*. Contribution to this result is accomplished through interventions to increase the number and extent of natural ecosystems captured in the protected area network, and by efforts to increase the sustainable use of forest resources through a multiple-use approach.

I. Increased Participation in the UNFCCC

A. Policy Advances Supporting the UNFCCC

No activity.

B. Increased Capacity to Meet Requirements of the UNFCCC

No activity.

II. Reduced Greenhouse Gas Emissions from the Land Use, Forestry Activities, and Natural Resource Management

A. Land Use/Forest Management Activities

In Madagascar, UNDP takes the lead in the convention ratification, policy and management planning efforts on Global Climate Change issues, and the European Union focuses on climate change issues relating to the marine environment. USAID supports the Government of Madagascar in their efforts to achieve impacts in both preserving carbon stocks and reducing the rate of carbon loss through active support to the National Association for Management of Protected Areas (ANGAP) and Ministry of Water and Forest (MEF) for the growth and sound management of the Protected Area network and forests/important biological areas outside of the network. USAID supports programs within these two institutions which focus on protection and improved management of existing areas of biological importance, reducing slash and burn agriculture, and increasing agroforestry and tree nursery efforts to promote reforestation of multiple use, high economic value, or indigenous tree species.

B. Policy Advances

USAID/Madagascar support in 1999 to ANGAP was marked by the development of the Protected Areas Network Management Law (CoAP) and the two related management instruments – the Protected Areas Network Management Plan (Plan GRAP) and the National Committee for the Management of Protected Areas Network (CONARAP). Together, these initiatives will allow a more holistic management of the Protected Areas network. They will also increase the creation of voluntary and/or private protected areas which will ensure more sustainable management of sites outside traditional parks.

Since 1994 USAID/Madagascar has supported the development and implementation of forest management plans at the national and regional levels. Forest management plans have been developed for eight classified forests encompassing 227,868ha (ref. Table 4, Indicators 1 and 2b). This area includes portions of both the public classified forest domain and village/communal forest areas. Overall, the program has registered over 100 village forests as defined by Malagasy traditional village territory delimitation. Currently, 36 community-based associations are legally formed, positioning them to be legally eligible to manage these resources in the future. After two years of negotiations and development of rural community socio-organizations, in 1999 nine contracts were signed transferring the management of classified public forests to community-based associations.

With reference to Table 5, the development of two Eco-tourism Investment Zones (ZIE), for Isalo and Amber Mountain National Parks, and the complex Ankarana Special Reserve, is an important accomplishment for future tourist activities in the area. The USAID Landscape Development Initiatives (LDI) project assisted the Ministry of Tourism in establishing the Isalo Eco-tourism Development Zone in December 1999, after securing land tenure from the Ministry of Land Management and Urban Development (MATV).

C. Public and Private Funding Leveraged

No activity.

D. Institutional Capacity Strengthened

With reference to Table 8, in 1999 USAID financed in-country and US training for eco-regional planning and forest management. USAID also provided technical assistance for regional planning, Regional Environmental Assessment, ecotourism development, and forest management plan development, and supported in country, international and US training for protected area management.

III. Reduced Greenhouse Gas Emissions from the Energy Sector, Industry, and Urban Areas

A. Energy Sector, Industrial, and Urban Activities (including audits)

No activity.

B. Policy Advances

No activity.

C. Public and Private Funding Leveraged

No activity.

D. Institutional Capacity Strengthened

No activity.

IV. Other Climate Change Activities

As reported in the FY 2001 R4, USAID is supporting data collection efforts to cost effectively collect and analyze satellite imagery of night fires in Madagascar. These data will help us determine if activities to reduce slash and burn agriculture are having an impact in areas of key biodiversity habitats, and contribute to monitoring the Madagascar carbon-base as a climate change indicator. Efforts are still ongoing to develop a data set which is coherent over space and time: data has been gathered from historical imagery collected over the past eight years (1992-1999), incorporating information from each night within a five month period (August through December). Data are being ground-truthed (fire location, etc.) and restructured into a user-friendly format, which is expected to be operational by the end of this year.

USAID works extensively with local natural resources management technicians in capacity building to assure that appropriate management and monitoring of Madagascar's carbon-base continues. Although the fire data are still not fully ground-truthed, preliminary results have increased the NEAP implementing agencies, particularly the Ministry of the Water and Forest, sensitivity to the extensiveness of fire damage. This new awareness has led to the development of a new national pilot project entitled "Local Management by the Community of the Fire of Vegetation in Madagascar", which is currently being discussed with the donors.

Please fill in the YELLOW cells to complete the table.

TABLE 4												
Result 2: Reduced Net Greenhouse Gas Emissions from the Land Use/Forest Management Sector												
Indicator 1: Area where USAID has initiated interventions to maintain or increase carbon stocks or reduce their rate of loss												
Indicator 2: Area where USAID has achieved on-the-ground impacts to preserve, increase, or reduce the rate of loss of carbon stocks												
PLEASE SEE BELOW for CODES and DEFINITIONS necessary to complete this table. USAID Activity Name	Location			The Site and USAID's Involvement						Additional information you may have (see codes below)	SO Number for Activity	CN/TN Number for Activity
				Principal Activities (see codes below)	Indicator 1	Area where USAID has conserved carbon (hectares)						
	Country	Region, Province, or State	Site			Area where USAID has initiated activities (hectares)	Predominant vegetation type (see codes below)	Indicator 2a Natural ecosystems	Predominant managed land type (see codes below)			
Ex: Tapajos National Forest Project	Brazil	Para	Tapajos National Forest	1	595,000	A	595,000			1, 2, 3, 5	1	CN-23-222
				2	5,000	A		3				
									400			
Justification for including site:				Site of Tapajos project was included on the basis of demonstrated progress in forest conservation and resulting carbon sequestration benefits.								
1. Improved management of critical biodiversity habitats/ Protected Area management and structures in place	Madagascar	nation wide		1	1,718,544		1718544	4			3.1	
Justification for including site:				Because USAID is one of the primary donors to ANGAP, the overall figure of natural habitat contained in the Protected Areas Network is reported.								
2. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Antsiranana	Andavakoera	1,2,3,4,5	12575	A			13576		3.1	
Justification for including site:				Classified forest receiving direct funding from USAID under the national multiple use forest management program.								
3. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Antsiranana	Andravory	1,2,3,4,5	29280	A			21600		3.1	
Justification for including site:				Classified forest receiving direct funding from USAID under the national multiple use forest management program.								
4. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Fianarantsoa	Tolongoina	1,2,3,4,5	5500	A			5380		3.1	
Justification for including site:				Classified forests receiving direct funding from USAID under the national multiple use forest management program.								
5. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Mahajanga	Bongolava	1,2,3,4,5	50300	B			50029		3.1	
Justification for including site:				Classified forests receiving direct fundings from USAID under the national multiple use forest management program.								
6. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Toamasina	Ankeniheny	1,2,3,4	37000	A			26500			

Justification for including site:			Classified forests receiving direct funding from USAID under the national multiple use forest management program.									
7. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Toamasina	Fierenanana	1,2,3,4	63790	A			80047		3.1	
Justification for including site:			Classified forests receiving direct fundings from USAID under the national multiple use forest management program.									
8. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Toamasina	Antsiraka	1,2,3,4,5	9587	A			9850		3.1	
Justification for including site:			Classified forests receiving direct fundings from USAID under the national multiple use forest management program.									
9. Improved management of critical biodiversity habitats/Participatory forest management operationalized	Madagascar	Toliary	Tsintongabariak a	1,2,3,4,5	19530	A			20916		3.1	
Justification for including site:			Classified forests receiving direct fundings from USAID under the national multiple use forest management program.									
10. Sustainable use of natural resources in the broader landscape	Madagascar	Fianarantsoa	Strategic Intervention Zones	1,2,3,4,5	360500	A		1,2,3	360500		3.2	
Justification for including site:			These managed lands provide better management of the forest corridor in three of USAID's strategic intervention zones. The spatial coverage is probably an over estimated, as there are no precise figures.									
11. Sustainable use of natural resources in the broader landscape	Madagascar	Mahajanga	Strategic Intervention Zones	1,2,3,4,5	377200			1,2,3	377200		3.2	
Justification for including site:			These managed lands provide better management of the forest corridor in three of USAID's strategic intervention zones. The spatial coverage is probably an over estimated, as there are no precise figures.									
12. Sustainable use of natural resources in the broader landscape	Madagascar	Toamasina	Strategic Intervention Zones	1,2,3,4,5	139966				139966		3.2	
Justification for including site:			These managed lands provide better management of the forest corridor in three of USAID's strategic intervention zones. The spatial coverage is probably an over estimated, as there are no precise figures.									
13.												
Justification for including site:												
14.												
Justification for including site:												
15.												
Justification for including site:												
Total area (hectares):				1,105,228	Total area:	1,718,544	Total area:	1,105,564				
Note: If you need to list more than 15 activities in this table, please create a second copy of this spreadsheet, following the instructions at bottom.												

Codes for Land Use and Forestry Sector Indicators									
Principal Activities:		Predominant Vegetation Type:				Predominant Managed Land Type:		Codes for Additional Information:	
1	Conservation of natural ecosystems (may include protected area management, extraction of non-timber products, etc. but <i>not</i> timber harvesting.)	A	Tropical evergreen forest	H	Tropical grassland and pasture	1	Agricultural systems: Less than 15% of the area under trees	1	Maps
2	Sustainable forest management for timber using reduced-impact harvesting (non-timber forest products may also be harvested)	B	Tropical seasonal forest	I	Temperate grassland and pasture	2	Agroforestry systems: Greater than 15% of the area under trees	2	Geo-referenced site coord-inates
3	Afforestation/reforestation/plantation forests	C	Temperate evergreen forest	J	Tundra and alpine meadow	3	Plantation Forests: At least 80% of the area under planted trees	3	Biomass inventory
4	Agroforestry	D	Temperate deciduous forest	K	Desert scrub	4	Protected areas	4	Rainfall data
5	Sustainable agriculture	E	Boreal forest	L	Swamp and marsh			5	Soil type data
		F	Temperate woodland	M	Coastal mangrove				
		G	Tropical open forest / woodland	N	Wetlands				

Definitions: Natural Ecosystems	
Natural Ecosystems	Any areas that have not experienced serious degradation or exploitation of biomass, and without significant harvest of biomass. This includes protected areas, areas used for the extraction of non-timber forest products, and community-managed forests with minimal timber extraction. Areas where non-timber forest products are harvested can be counted in this category but not those that are managed for timber. The latter are included in 2b below. The distinction is important as different approaches are employed in estimating carbon for "natural areas" (2a) and "managed areas" (2b). Natural areas include: (1) protected areas; (2) areas where non-timber forest products are extracted if significant biomass is not removed (often managed as community-based forest management areas); and (3) any other areas which exclude larger-scale biomass harvest from a management regime including many areas managed by communities and/or indigenous groups.
Definitions: Managed Lands Categories	
Sustainable Forest Management for Timber using Reduced Impact Harvesting (RIH)	<p>A timber management activity will be considered to have a positive impact on carbon (relative to conventional methods) if it employs RIH practices and/or other key criteria. RIH is a package of practices proven to minimize environmental damage and carbon emissions during the logging of natural tropical forest. To be included, an activity must include most of the following practices:</p> <ul style="list-style-type: none"> - tree inventorying, marking and mapping; - careful planning and marking of skidder trails; - vine cutting prior to harvest, where appropriate; - directional felling of trees; - appropriate skidding techniques that employ winching and best available equipment (rubber tired skidder/animal) - proper road and log deck construction; - a trained work force and implementation of proper safety practices; - fire mitigation techniques (fire breaks); - existence of a long-term management plan. <p>Report on the area where government, industry or community organizations are carrying out forest management for commercial timber using the techniques above, or forest management areas that have been "certified" as environmentally sound by a recognized independent party. Only the area where sound planning and harvesting is being currently practiced should be included (not the whole concession or forest).</p>
Agroforestry	<p>Agroforestry covers a wide variety of land-use systems combining tree, crop and/or animals on the same land. Two characteristics distinguish agroforestry from other land uses: 1) it involves the deliberate growing of woody perennial on the same unit of land as agricultural crops and/or animals either spatially or sequentially, and 2) there is significant interaction between woody and non-woody components, either ecological or economical. To be counted, at least 15 percent of the system must be trees or woody perennials grown for a specific function (shade, fuel, fodder, windbreak). Include the area of land under an agroforestry system in which a positive carbon benefit is apparent (i.e., through the increase in biomass, litter or soil organic matter). Do not include agroforestry systems being established on forestlands that were deforested since 1990.</p>

Reforestation/ Afforestation	The act of planting trees on deforested or degraded land previously under forest (reforestation) or on land that has not previously been under forest according to historical records (afforestation). This would include reforestation on slopes for watershed protection; mangrove reforestation or reforestation to protect coastal areas; commercial plantations and community tree planting on a significant scale, and/or the introduction of trees in non-forested areas for ecological or economic purposes. -- Include the area under reforestation or afforestation (i.e., plantation forests and/or community woodlots). Do not include natural forested areas that have been recently deforested for the purpose of planting trees. Do not include tree planting in agroforestry systems (include this under agroforestry).
Sustainable Agriculture	Agricultural systems that increase or maintain carbon in their soil and biomass through time by employing certain proven <ul style="list-style-type: none"> - no-tillage or reduced tillage - erosion control/soil conservation techniques, especially on hillsides - perennial crops in the system - higher crop yields through better nitrogen and soil management - long-term rotations with legumes - the use of organic mulches, crop residues and other organic inputs into the soil - better management of agrochemicals, by stressing careful fertilizer management that will increase yields while minimizing the use of petro-based agrochemicals which increase emissions.

Special Instructions: Creating a Copy of this Spreadsheet	
Step 1	Finish filling any cells you are working on and hit " Return " or " Enter ".
Step 2	Then click on " Edit " in the menu bar, above. Go down and click on " Move or Copy Sheet ". The "Move or Copy" dialog box will open. (NOTE: You may also open this dialog box by using the right button on your mouse and clicking on the "T4-2.1 Land Use" tab near the bottom of the screen.)
Step 3	Next, scroll down in the dialog box and click on " T4-2.1 Land Use ".
Step 4	Next, click on the box at bottom to Create a copy .
Step 5	Hit " OK ". A new copy of T4-2.1 Land Use will appear in the row of tabs near the bottom of the screen. PLEASE NOTE: Some cells may not retain all the original ntext when the sheet is copied, especially in the definitions sections.

Annex D: SO2, Smaller, Healthier Families, Updated Performance Monitoring Plan

As promised in USAID/Madagascar's "Response to Issues Raised During Madagascar FY 2001 R4 Review" (98-ANTANANARIVO 003757 dtd. August 24, 1999), the following pages contain the full Performance Monitoring Plan (PMP) tables for SO2, *Smaller, Healthier Families*.

In the PMP, the following indicators have been dropped from the original PMP as presented in the Mission's February 1997 Country Strategic Plan (CSP), and approved in July 1997:

1. Use of Childhood Immunization Services – Measles: The DPT3 coverage provides adequate indication of immunization coverage. (ref. Table E and Table 4 in the FY 2002 R4)
2. Percent of Children with adequate hemoglobin levels: This indicator would be too costly to measure.
3. Transition to Community Based Title II Food Aid Program: The transition process has been largely completed. CRS will focus on results indicators, such as immunization coverage and nutrition status, in the future for monitoring and evaluation.
4. Cold Chain Coverage: This indicator does not appear to adequately reflect the current EPI situation and declines in coverage.

The following three indicators have been added for Mission monitoring purposes:

1. Percent of children 4-5 months old who are breastfed without supplementary feeding or liquids: This will be the Mission's SO-level nutrition indicator. (Ref. Table C)
2. Increased rice production in selected communities: This will be the Mission's food security indicator and will reflect community engagement in increasing food security. (Ref. Table G)
3. Number of villages that develop Prevention, Mitigation, Preparedness, Planning (PMPP) Action Plans and initiate activities: This indicator will report community engagement in Mission-supported disaster PMPP activities, generally with P.L. 480 Title II monetized resources. (Ref. Table H)

SO- LEVEL INDICATORS

Table A (Table 5 in FY 2002 R4, as Newly Reported Indicator)

OBJECTIVE NAME: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 09/14/1992		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: SO Level - SO2: Smaller, Healthier Families.			
INDICATOR: Contraceptive Prevalence Rate (CPR) for modern methods, women in union 15 to 49 years.			
UNIT OF MEASURE: Percent of women 15 to 49 in union who are currently using modern contraceptives. SOURCE: 1992 and 1997 Demographic and Health Surveys (DHS); the INSTAT, Priority Household Survey (EPM) preliminary results are used for 1999. A Multiple Indicator Cluster Survey (MICS), conducted by INSTAT with UNICEF support, will provide data for 2000. An additional Priority Household Survey (EPM) will be conducted in 2001 with World Bank support. *No national surveys were conducted in 1998 INDICATOR DESCRIPTION: Number of women 15 to 49 in union who are currently using modern contraceptives as a percentage of all women 15 to 49 in union. Modern methods include: Oral Contraceptives, Injectables, Norplant, Condoms, male and female sterilization, IUDs. COMMENTS: After many years of effort by USAID's Data For Decision Making and Policy Unit, which included extensive training of INSTAT and Ministry of Health staff and regular donor partner coordination, it has been possible to harmonize national survey efforts and standardize most key indicators and instruments. Efforts at improving data quality of all major surveys mean that there are now reliable, yearly measurements of key program indicators such as this CPR table. The costs of these surveys are shared by donors (USAID, UNFPA, UNICEF, World Bank, etc..) and local capacity is of high quality. Stress now is on in-depth analysis, use of data in the decision making and policy areas, and broad dissemination including the mass media.	YEAR	PLANNED	ACTUAL
	1992(B)		5.1%
	1997		9.7%
	1998	11.0%	NA*
	1999	12.0%	12.7%
	2000	13.0%	
	2001	14.0%	
	2002	15.0%	

Table B – Mission-level monitoring

OBJECTIVE: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/22/98		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: SO Level – SO2: Smaller, Healthier Families.			
INDICATOR: Contraceptive Prevalence Rate (CPR) for modern methods, all women 15-49 years.			
UNIT OF MEASURE: Percent of women 15-49 who are currently using modern methods. SOURCE: Demographic and Health Surveys. INDICATOR DESCRIPTION: Modern methods include: oral contraceptives, injectables, Norplant, condoms, male and female sterilization, and IUDs. COMMENTS: This table shows CPR for all women aged 15-49 years. SO2 needs to reach women at risk of unwanted pregnancy or STI transmission who may not be considered in union, especially adolescents. A broader category for the target population is therefore necessary. This will also allow increased comparability with other countries. NA: Not Available for 1998; data for 1999 will be available later in 2000.	YEAR	PLANNED	ACTUAL
	1992(b)		3.5%
	1997		7.0%
	1998	8.0%	NA
	1998	8.5%	NA
	2000	9.0%	
	2001	10.0%	
	2002	11.0%	

Table C - Mission-level monitoring

OBJECTIVE: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 09/14/1992 (FY 2000 R4 Review Cable)		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.1: Family level – Increased Use of Services and Healthy Behaviors.			
INDICATOR: Percent of children 4-5 months old who are breastfed without supplementary feeding or liquids.			
UNIT OF MEASURE: Percent of children 4-5 months old who are breastfed without supplementary feeding or liquids. SOURCE: 1992 and 1997 Demographic and Health Surveys, and other national representative and geographical focused surveys. INDICATOR DESCRIPTION: Percent of children 4-5 months old who are breastfed without supplementary feeding or liquids. COMMENTS: Indicator will be tracked through surveys in project areas, and with nationally representative surveys. The progress indicated between the 1992 and 1997 DHS - an increase in 5 percentage points – reflects broadscale efforts to improve the quality of breastfeeding. All our partners focus on this and the indicator captures a range of activities and programs in nutrition. The 1999 Priority Household Survey (EPM3) will provide the data for 1999 when results are analyzed in April 2000.	YEAR	PLANNED	ACTUAL
	1992(b)		17%
	1997		22%
	1999	24	TBD
	2000	26	
	2001	28	
	2002	30	

IR2.1: Family Level: Increased use of services and healthy behaviors

Table D (Table 1 in FY 2002 R4, last year for R4 reporting)

OBJECTIVE NAME: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 09/14/1992 (FY 2000 R4 Review Cable)		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Couple Years of Protection (CYP) provided by contraceptive methods.			
UNIT OF MEASURE: Couple Years of Protection (CYP) is calculated by multiplying the quantity of contraceptives methods distributed by a standard conversion factor. SOURCE: Family Planning Management Information System (FP/MIS). INDICATOR DESCRIPTION: The CYP is defined as the estimated protection provided by family planning services during a one year period, based upon the volume of all contraceptives sold or distributed free of charge to clients during that period. The CYP is calculated by multiplying the quantity of each method distributed to clients by a conversion factor, which yields an estimate of the duration of contraceptive protection provided per unit of that method. The conversion factors used in Madagascar include: injectables, number of doses divided by 4 ; barrier methods, number of units divided by 150 ; oral contraceptives, number of cycles divided by 15, IUD, number of insertions multiplied by 3.8 ; Norplant, number of insertions multiplied by 3.5 ; surgical contraceptives, number of interventions multiplied by 12. COMMENTS: CYP estimates for 1999 are based on preliminary data. Final estimates will be completed in 2000.	YEAR	PLANNED	ACTUAL
	1992(B)	-	72,000
	1996	180,000	170,000
	1997	240,000	240,000
	1998	260,000	280,000
	1999	300,000	320,000
	2000	340,000	
	2001	380,000	
	2002	420,000	

Table E (Table 4 in FY 2002 R4)

Table 2 (Table 4 in FY 2002 RC)

OBJECTIVE NAME: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.1: Family Level - Increased Use of Services and Healthy Behaviors.			
INDICATOR: Children receiving 3 doses of Diptheria-Pertussis-Tetanus (DPT3) coverage.			
<p>UNIT OF MEASURE: Proportion of children 12-23 months receiving 3 doses of Diptheria-Pertussis-Tetanus (DPT) immunizations before 1 year of age. Consequently, information collected by surveys in 1999 refer to the situation in 1998.</p> <p>SOURCE: 1992 and 1997 Demographic and Health Surveys (DHS); the INSTAT, Priority Household Survey (EPM) preliminary results are used for 1999. A Multiple Indicator Cluster Survey (MICS), conducted by INSTAT with UNICEF support, will provide data for 2000. An additional Priority Household Survey (EPM) will be conducted in 2001 with World Bank support.</p> <p>*No national surveys were conducted in 1998.</p> <p>INDICATOR DESCRIPTION: Information based on nationally representative sample surveys which look at the child's immunization card or ask the mother or guardian for information.</p> <p>COMMENTS: This indicator is for national level DPT3 coverage. It was selected to demonstrate the ability of the program to sustain immunization coverage.</p> <p>Data for full immunization coverage from two districts where BASICS developed an immunization communications and social mobilization strategy saw increases in coverage from 57% in 1996 to 78% in 1998. High coverage has continued under the JSI project.</p> <p>Similarly, PVO partners have expanded coverage using community based approaches. CRS reported close to 75% immunization coverage in surveys conducted in 1997 and 1999.</p> <p>There were no significant gender differences in immunization coverage rates.</p>	YEAR	PLANNED	ACTUAL
	1992(B)		48%
	1997	65%	48%
	1998	52%	NA *
	1999	54%	36%
	2000	56%	
	2001	58%	
	2002	60%	

IR 2.2: Community Level: Increased community participation leading to improved health and food security

Table F (Table 3 in FY 2002 R4)

OBJECTIVE NAME: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.2: Community Level - Increased Community Participation Leading to Improved Health and Food Security.			
INDICATOR: Condom sales through social marketing.			
UNIT OF MEASURE: Number of condoms sold through social marketing program. SOURCE: Social marketing program monthly reports. INDICATOR DESCRIPTION: Units sold. COMMENTS: Monthly condom sales started out very low in early 1999 due to the start-up of the new Commercial Marketing Strategies (CMS) project. By the end of the year , however, condom sales increased significantly, so we retain targets for the 2000-2002 period. The "Analysis of FY2001 R4s for Africa Bureau: Highlights of Findings", dated November 8, 1999, questioned the relationship of this indicator to the Mission’s community-level IR. The rationale is that contraceptive social marketing relies on enhanced community engagement in and support for family planning, thus increased condom sales through social marketing indicates that more communities have been engaged. The new CMS project greatly increased Information-Education-Communication (IEC) and community mobilization with a range of new partners including UNFPA, UNICEF, Peace Corps, <i>Médecins du Monde</i> , <i>Médecins Sans Frontières</i> and many local social and leisure organizations throughout the country. Some examples from 1999 include: The association of medical students, the business and management school (ISCAM), the association of Lycée students. By the end of 1999, the program began accelerating activities and prospects for growth in 2000 are excellent. The CMS emphasis on engaging communities to increase community-based sales is expected to continue this expansion in future years. The Mission is exploring quality indicators for STI prevention this year through qualitative research, and hopes to include these next year.	YEAR	PLANNED	ACTUAL
	1996(B)	-	1,051,000
	1997	2,850,000	2,950,000
	1998	5,000,000	3,392,862
	1999	5,000,000	4,492,325
	2000	7,000,000	
	2001	10,000,000	
	2002	13,000,000	

Table G – PROPOSED NEW INDICATOR, Mission-level monitoring

OBJECTIVE: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: PROPOSED in FY 2002 R4		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.2: Community Level – Increased Community Participation Leading to Improved Health and Food Security.			
INDICATOR: Increased rice production in selected communities			
UNIT OF MEASURE: Average Metric Tons / Hectare produced by farm families participating in USAID-sponsored activities. SOURCE: CRS and ADRA monitoring reports. INDICATOR DESCRIPTION: A FANTA team worked with CRS and ADRA to determine the best indicator in August 1999. The sponsors are working together with FANTA and USAID/Madagascar Environment Officer to refine. COMMENTS: Baseline will be established during FY 2000.	YEAR	PLANNED	ACTUAL
	2000(b)	TBD	TBD
	2001		
	2002		
	2003		

Table H – PROPOSED NEW INDICATOR , Mission-level monitoring

OBJECTIVE: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: PROPOSED in FY 2002 R4		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.2: Community Level – Increased Community Participation Leading to Improved Health and Food Security.			
INDICATOR: Number of villages that develop Prevention, Mitigation, Preparedness, Planning (PMPP) Action Plans and initiate activities.			
Unit of Measure: Number of villages (sub-unit of a community), in which the Title II PVO partners work, that develop an “Action Plan,” implying a village-wide discussion on a set of activities to realize that address the particular threats faced in that illage. Initiatives taken independently by individual households do not constitute a village plan. The plan may or may not be formalized in wirting. Source: Title II sponsors annual reports (e.g. ADRA, CARE, CRS) Indicator Description: See unit of measure, above. Comments: This indicator was developed and described during a visit by the Global Bureau FANta project team during August 1999. Title II sponsors are gathering baseline data in FY 2000.	YEAR	PLANNED	ACTUAL
	2000(b)	TBD	TBD
	2001		
	2002		
	2003		

IR2.3: Health Center Level: Increased access to quality health services.

Table I (Table 2 in FY 2002 R4)

OBJECTIVE NAME: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.3: Health Center Level - Increased Access to Quality Health Services.			
INDICATOR: Total number of clinical sites providing FP services nationwide.			
UNIT OF MEASURE: Number of fixed health sites with trained health workers, contraceptives and other needed elements to provide family planning (FP) services. SOURCE: Family Planning Management Information System (FP/MIS). INDICATOR DESCRIPTION: Fixed public and private clinical facilities (e.g. hospitals, health clinics, dispensaries, doctors offices, and other facilities that dispense health services) providing Family Planning services on a regular basis, e.g. 5-6 days/ week. NOTES: * Planned sites for the 2000-2002 period have been revised upward to reflect the progress to date. COMMENTS: Over six hundred of these sites have been geo-referenced using Global Positioning System (GPS) devices. FP access will be analyzed using a geographical information system. This will allow us to assure adequate service availability to increasing numbers of customers, and to avoid duplication and concentration of services in certain urban areas which are well served. The table does not include community based FP sites, which number close to 300 in 1999, nor social marketing sites which included over 15,000 retailers and 400 wholesalers in December 1999.	YEAR	PLANNED	ACTUAL
	1992(B)	-	150
	1996	520	575
	1997	630	751
	1998	800	820
	1999	850	999
	2000	1100*	
	2001	1200*	
	2002	1300*	

IR2.4: Institutional Level: Increased capacity to plan and manage programs

Table J (in process of modification for Mission-level monitoring)

OBJECTIVE: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 09/14/1992 (FY 2000 R4 Review Cable)		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.4: Institutional Level – Increased Capacity to Plan and Manage Programs.			
INDICATOR: Institutional Capacity Index.			
UNIT OF MEASURE: Composite score of overall institutional capacity. SOURCE: Annual exercise of self-assessment done by local partners. INDICATOR DESCRIPTION: Mean score based on answers to questions in a formal protocol administered by a management consultant, indicating level institutional capacity in different aspects of management of health programs. COMMENTS: This exercise was part of the 1997 Population Program Assessment. It was considered very useful by our local partners. The instrument itself may be further refined as we focus on specific management issues. We believe this indicator is superior to the two indicators suggested in the CSP (FP MIS Reporting Rate and Management Skills). HPN’s new TA contractor and partners are in process of reassessing the most appropriate unit of measure. We expect to resolve measurement question during FY 2000/2001	YEAR	PLANNED	ACTUAL
	1997(b)		60.8%
	1998	62%	NA
	1999	65%	NA
	2000	70%	
	2001	75%	
	2002	80%	

IR2.5: Policy Level: Improved policies, program advocacy, and decision-making

Table K – Mission-level monitoring

OBJECTIVE: SO2: Smaller, Healthier Families			
OBJECTIVE ID: 687-002-01			
APPROVED: 07/18/1997		COUNTRY/ORGANIZATION: USAID/Madagascar	
RESULT NAME: IR2.5: Policy Environment level--Improved Policies, Program Advocacy and Decision-Making			
INDICATOR: Status of National Policies for: IMCI = Case Management of Childhood Illness CS = Child Survival Messages - ORT, EPI, breastfeeding, etc ... STD = Syndromic Treatment of Sexually Transmitted Diseases NUT = Nutrition messages C-R = Cost-Recovery MIC = Micronutrients EPI = Expanded Program Immunization SUP-IEC = Supervision/IEC			
UNIT OF MEASURE: Health sector-related policies and the extent of implementation – as measured by geographic or demographic coverage in field activities related thereto – of the subject policy. SOURCE: Policy documents/decrees, activity reports from MOH, contractors and grantees. INDICATOR DESCRIPTION: USAID assessment of the extent to which each Policy has been: DEV = Defined and Developed APP = Formally approved by the MOH DISS = Disseminated to a wide audience PILOT = Implemented on a pilot basis IMP/G = Implemented on a wider, general basis	YEAR	PLANNED	ACTUAL
	1997 IMCI CS STD NUT C-R	DEV APP, DISS DEV, APP, DISS DEV --	DEV, APP DEV, APP, PILOT DEV, APP, PILOT DEV. in process Announced by MOH
	1998 IMCI CS STD NUT C-R	PILOT IMP/G DISS APP, PILOT Analyze, Test approaches	PILOT IMP/G PILOT PILOT IMP/G

<p>COMMENTS: National policies on integrated management of child illnesses (IMCI) and syndromic treatment of STI were developed, partially or fully approved, and disseminated. Standardization of child survival messages has been accomplished and accepted by all partners. Implementation of all three approaches on a pilot basis has begun very rapidly. Nutrition messages are being developed with broad local participation.</p> <p>Field experience allows us to identify new policy needs. The Ministry of Health promulgated a policy of full cost-recovery in January 1998 with little advance preparation. USAID has adopted this as a new policy agenda item and will work with the MOH to modify and test the policy so that it can be phased in without creating hardship or loss in coverage. Other policy issues are expected to occur over the life of the SO which will require action in future years.</p>	1999 IMCI CS STD NUT C-R EPI	IMP/G IMP/G IMP/G IMP/G Revise/PIL OT DEV	PILOT IMP/G PILOT IMP/G IMP/G DEV, APP, DISS
	2000 IMCI CS STD NUT C-R EPI SUP-IEC MIC	IMP/G IMP/G PILOT IMP/G IMP/G IMP/G DEV, APP DEV	

ANNEX E: SUCCESS STORIES

1. THE LITTLE RAILROAD THAT COULD
2. LELAND INITIATIVE HELPS MAKE MALAGASY GIRL'S DREAM COME TRUE
3. WOMAN-HEADED DAIRY SERVES AS CATALYST FOR INCREASED PRODUCTION AND INCOME IN RURAL MADAGASCAR
4. DECENTRALIZATION: DOWN TO THE GRASS ROOTS
5. "READY AND DECIDED" WOMEN'S GROUP IN MADAGASCAR WINS INTERNATIONAL PRIZE
6. JOURNALISTS & HEALTH SPECIALISTS CONNECT IN MADAGASCAR
7. **FIANARANTSOA'S CHANGE TOWARD OPEN GOVERNMENT SPARKS REGIONAL INTEREST**

THE LITTLE RAILROAD THAT COULD

Departmental Chief Lucien Ramanarivo and his colleagues at the Fianarantsoa-Côte-Est (FCE) railroad are scramblers. As hard times hit Madagascar, they watched their 167 kilometers of railroad from the city of Fianarantsoa to the secondary port of Manakara deteriorate. Although they could never quite get enough money for maintenance, they somehow cobbled together just enough old rails and spare parts to keep operating. The trip wasn't always smooth, and they couldn't guarantee a schedule, but the FCE somehow kept rolling along.

With recent encouragement and assistance from USAID's Commercial Agriculture Promotion (CAP) project, however, the FCE has been able to get much-desired autonomy from the state-owned railroad system. This in turn allowed it to: forge partnerships with a consortium of small Swiss railroads which provided the FCE with over US\$500,000 in equipment; obtain US\$1.3 million from USAID and complete urgent repairs; and mobilize French and Malagasy financing to improve communications along the line. The FCE is now back in business, and Mr. Ramanarivo and his colleagues are working hard to move further ahead. They hope to secure long-term financing to allow the FCE to become a wholly private company in the near future.

Things had looked particularly bleak for the FCE as recently as 1995, when it was dropped from a major World Bank infrastructure loan package. A number of reports had concluded that full rehabilitation of the line would cost between some US\$20-\$30 million, and that the low level of traffic was not enough to cover costs. Fianarantsoa is a major transportation node for Madagascar's highly populated south-east, and the railroad transects a zone of rich agricultural production. However, both the FCE line and 240 kilometers of paved roads serve as critical links to get local production out of much of the area. The traditional economic analyses concluded that it was more viable to use the road than to rehabilitate the FCE.

In 1996, however, a USAID/CAP consultant pointed out that if road usage increased substantially, the fragile ecosystem of the environmentally important Ranomafana National Park would be threatened with irreparable loss to not only Madagascar but to biodiversity on a global scale. The CAP consultant outlined a short-term emergency program that would allow FCE to increase load and revenues and position itself to obtain a long-term rehabilitation loan. With continued USAID assistance through CAP and its successor project, the Landscape Development

Initiative (LDI), and with continued hard work and dedication of the FCE staff, the railroad has completed almost all of the steps in the emergency program and is actively pursuing lenders.

One of the most gratifying – and sustainable -- parts of the emergency effort has been FCE's partnership with eight small Swiss railroads. Mr. Ramanarivo and a number of CAP and LDI consultants have worked extremely hard to develop the relationships, and in 1999 their efforts paid off: with transportation financed by the Swiss Federal Railways system, the Swiss Direction for Development and Cooperation, and the Malagasy national railroad system, the Swiss railroads donated 850 tons of equipment to FCE. More importantly, the informal network created between the European railroads and donors and the FCE provides FCE increased leverage, and represents a real asset in its quest for eventual privatization.

Mr. Ramanarivo and his colleagues at "the little railroad that could" are on their way, and USAID and its LDI partners stand ready to help them get there.

LELAND INITIATIVE HELPS MAKE MALAGASY GIRL'S DREAM COME TRUE

Lovanirina (Lova) Fanambinasoa dreamed of becoming an airline pilot. She was extremely bright, worked hard, and did well in school. In 1999, she graduated with high marks from secondary school in Madagascar's Fianarantsoa Province when she was only 15 years old. Given her obvious promise, the Government of Madagascar awarded her a scholarship to pursue the necessary pre-university entry requirements that would then allow her to continue to university and study aeronautics in France. She was on her way to making her dream come true.

Unfortunately, the scholarship award arrived only two weeks before the start of the course – in France -- that would get her the necessary equivalency to continue to university-level studies. Clearly the postal service would have taken too long. Doing all applications by fax would have worked, but would have been prohibitively expensive, given the lengthy paperwork involved in overseas study. Lova was worried she wouldn't get everything done in time.

Her parents, knowing how much it meant to her, decided to go to their National Assembly representative, Mr. Samuel Rajomalahy, for help. Mr. Rajomalahy is also the Vice-President of the National Assembly. He had been exposed to the Internet through U.S. Government assistance to the Assembly for equipment, Internet connectivity, a webpage, and training, through collaborative efforts of the Leland Initiative, the Embassy's Human Rights Development Fund, and USAID's Legal, Regulatory, and Judicial program. Mr. Rajomalahy in turn contacted the Assembly's Director of Public Relations, Mr. Jean Bosco Randrianjara. Mr. Randrianjara reviewed Lova's paperwork and was delighted to find an email address for her school of choice; he had received the Leland Initiative-sponsored training and was becoming quite adept at "surfing the net" on the Assembly's USAID-financed computers.

Lova's chosen school was eager to help. It scanned the necessary documents and sent them via email, cutting time and cost in what otherwise would have been an impossible or expensive situation. Lova filled them out, sent them back with Mr. Randrianjara's help, was duly enrolled, and got there for the start of the school year. Today, Lova is doing well at the *Ecole Préparatoire Lycée Blaise Pascal* in Clermont, France, and still dreams of being a pilot. Predictably, she has also become an Internet fan, and can be reached at <randimbifanambinasoa@yahoo.fr>

None of this would have been possible without the Leland Initiative. Since 1997, USAID and the Embassy have worked with relevant Malagasy authorities to break the public telecommunications monopoly and allow private Internet service providers (ISP) to operate. By 1999, there were nine ISPs providing more affordable, faster service to some 1500 customers. As of early 2000, this number had grown to about 8,000, indicating the keen interest of the population of this island nation in connecting to the rest of the world.

Lova's parents will soon be able to "talk" to her via email directly from Fianarantsoa without incurring long-distance charges. USAID is financing the necessary equipment for the soon-to-be-privatized national telecommunications company to open hard-line connectivity in Fianarantsoa, and it is expected to be operational by the end of 2000.

U.S. Congressman Mickey Leland would have been proud of his Malagasy legislative colleagues, and they and USAID are proud to carry on his memory.

WOMAN-HEADED DAIRY SERVES AS CATALYST FOR INCREASED PRODUCTION AND INCOME IN RURAL MADAGASCAR

In 1995, nine dairy farmers in rural Madagascar created a small association to collect milk from surrounding farms to sell in the nearby city of Fianarantsoa. By 1999, with modest USAID assistance, the association had transformed into a legally registered corporation, ROVEL (short for “fresh milk” in Malagasy), with 59 farmer-stockholders. Today ROVEL operates a modern dairy producing 200 liters of milk/day in addition to fresh cream, butter, cheese, and yogurt. Under the active leadership of its President and CEO Mrs. Josephine Raherisoa Rakotoniaina, the dairy collects milk from up to 150 rural families, employs 7 people full-time, and generates almost US\$2500/month turnover. These figures are particularly impressive in Madagascar, which reports an average per capita income of US\$200/year.

The original nine dairy farmers – three of who are women -- initially used their bicycles to collect and transport milk to sell in Fianarantsoa, which has a population of about 130,000. This effort proved successful enough that they incorporated as ROVEL in 1996. In 1997 personnel working on USAID’s Commercial Agricultural Promotion (CAP) project met with Mrs. Rakotoniaina to discuss ways they could help her and her partners improve production. Early in the collaboration USAID/CAP provided ROVEL with a ‘junior expert’ to help the members better organize their milk and credit collection, and arranged for training for ROVEL employees in production of fresh cream, butter, cheese, and yogurt. This led to a mutual recognition of some potential production problems, and USAID/CAP thus funded a consultant to conduct microbiologic studies for ROVEL to assure that all products met public health safety standards.

USAID/CAP also helped on the farm-based production side of the operation, which has resulted in a spread effect of benefits far beyond those to the ROVEL stockholders.. It established linkages between the dairy farmers and private and public veterinary suppliers in Fianarantsoa, to assure healthy animals and safe milk production. CAP also helped bring ROVEL together with an animal feed supplier to encourage the farmers to use more nutritious feed and fodder, which has helped keep production high.

As part of a broader agribusiness development scheme in Fianarantsoa Region, USAID/CAP financed the rehabilitation of the 20 kilometer Andakamby-Befeta farm-to-market road. This work has allowed much easier transport of the veterinary and feed supplies into the dairy farming area, and of milk, cheese, and other dairy products out to the market. Additionally, the improved road led to a doubling in the price paid for paddy produced in the area, due to the decreased transportation costs of buyers. Road maintenance is assured by a community-based association fostered by CAP, so it is likely that the new levels of prosperity will be sustained.

In 1998, USAID/CAP financed preparation of a loan request package for ROVEL which resulted in a venture capital loan of US\$8500 from a Malagasy financial institution. The loan was used for construction of a cold storage facility and purchase of a delivery/collection van.

The bicycles have now been replaced, and Mrs. Rakotoniaina and her partners are moving ahead with plans for expanded and diversified production of fruit-flavored yogurt, pastry

butter, and margarine. USAID and its partners stand ready to help them achieve their goals.

DECENTRALIZATION: DOWN TO THE GRASS ROOTS

In the northern city of Mahajanga, Madagascar (pop. 130,000), citizens are discovering that the promise of decentralization -- increased citizen participation and government accountability -- doesn't happen simply through the opportunity to vote for municipal councilors in a newly created autonomous urban commune. Especially when some of the council members are allegedly busy allocating communal lands to each other, and the public land tenure system regularly makes victims of those less privileged and less educated.

Mahajanga citizens decided to take decentralization a step further, down to the grass roots. With assistance from USAID's partner Pact under the *Rary* project, 23 neighborhood associations took it upon themselves to find out what the public issues were in each neighborhood. The response was resoundingly clear: access to drinking water and land tenure reform were top priorities.

The associations first tackled the issue of potable water. They successfully negotiated with the municipal government and the public utilities company to allow for neighborhood control of water distribution at public fountains so that maintenance could be locally managed, and thus more assured. Following the maxim "success breeds success," the group -- which had increased to 30 associations -- federated under the name *Herimiray* ("strong together" in Malagasy) and began tackling the thorny issue of land tenure.

Dozens of Mahajanga's citizens over the years have seen land they believed to be properly titled confiscated by the authorities and attributed to another party. Citizens who are able to pay hefty tips to the right people can get title to land occupied by families whose titling procedure -- dating back sometimes ten years -- was never completed by the city. Recourse by families to address their grievances systematically fail because of an opaque administrative arrangement in which responsibility for land tenure is divided between local and provincial governments.

On the evening of September 10, 1999, things began to change. AJM -- a newly created association of journalists trained by Pact -- organized a public debate on the issue, inviting public officials from the city and from the provincial government. *Herimiray* had prepared well, conducting interviews with officials and collecting grievances from citizens over several months prior to the event. The level of their analysis enabled participants to go right to the heart of the problem and generated significant information on many specific cases. *Herimiray* demanded concrete mechanisms to make public officials accountable to citizens, to ensure transparency in land tenure proceedings, and to guarantee that measures would be taken against corruption.

Although the city officials most exposed to criticism chose not to attend, it was a significant beginning. In the November 1999 elections, several candidates for the position of mayor of Mahajanga committed publicly to address the issue once elected. *Hemimiray* now represents 48 neighborhood associations, and is in a position to mobilize upwards of 20,000 citizens. In a city of 150,000, that is the one big heads-up for city officials.

The President of *Hemimiray* is Mr. Madjid Ahbdoul, and the Vice President is Mrs. Hajamalala Onimampiandra. They can be contacted through Pact.

"READY AND DECIDED" WOMEN'S GROUP IN MADAGASCAR WINS INTERNATIONAL PRIZE

In late 1999, the Women's World Summit Foundation of Geneva, Switzerland awarded the *Vonona* ("ready and decided") women's group of Andranofasika, Madagascar US\$500 for "women's creativity in rural life." The prize was for the group's successful fruit drying enterprise, which they initiated with USAID assistance.

About 30 women – most of who were heads-of-household -- created *Vonona* in 1991 to help women in their small town of 4,900 people. In addition to undertaking traditional activities of group savings, mutual aid, and community social events, the group operates a small nursery/pre-school facility for 25 students that has covered costs for several years.

In 1996 *Vonona* came into contact with two USAID-funded partners working in the nearby Ankarafantsika Natural Reserve, the NGO Conservation International (CI) and contractors on the Commercial Agricultural Promotion (CAP) project. CI and CAP personnel arranged for some of the women to attend a fruit-drying seminar being offered in a nearby city. They subsequently worked with the women to develop a technical and business plan that would allow them to initiate fruit drying using local production – notably mangos rich in Vitamin A and C – and to market the dried fruit. CAP and CI provided the group technical assistance, training, two gas-powered fruit dryers (the region is too humid for use of solar power), and modest seed money to establish inventory. The women provided management, labor, and all the local materials necessary for construction of the factory for the dryer.

***Vonona* inaugurated its factory in July, 1997. Although the enterprise has experienced some setbacks, the women have continued their efforts and are beginning to reap the benefits. They have expanded into drying bananas and production of tamarind jelly, and with the assistance of USAID's partners are selling their products in their region as well as in Madagascar's capital, Antananarivo. In 1999, *Vonona* had gross sales of almost US\$3000 and inventory valued at US\$1000. By July 1999, it was confident enough to begin paying 6 women members a full-time salary of about US\$20/month, and 9 others a part-time salary of about US\$10/month, which represent about a 20 and 10 percent increase in their respective previous household incomes.**

Beyond the profit for the group's members, the fruit drying enterprise has created a significant demand for fresh fruit that did not previously exist in the area. Villagers in Andranofasika and other zones peripheral to the Ankarafantsika Natural Reserve are collecting fruit and selling it to *Vonona*, resulting in a fuller utilization of this renewable resource and a new non-destructive source of income for the collectors. Prior to the enterprise, some of these collectors were perhaps forced to exploit non-renewable resources such as precious hardwoods or endemic wildlife, leading to destruction of the region's biodiversity.

The recent Women's World Summit Foundation prize was received on behalf of *Vonona* by its President, Ms. Olga Raholiarinelina. The Foundation has awarded only 110

prizes for “women’s creativity in rural life” since the prize’s inception in 1994. The women of Andranofasika and, indeed, all of Madagascar are proud of this international recognition of their work, and USAID is proud to have helped make it happen.

JOURNALISTS & HEALTH SPECIALISTS CONNECT IN MADAGASCAR

Survey and census analysts, evaluation specialists, and public health researchers produce a steady stream of noteworthy findings. Journalists and broadcasters are important allies in communicating these findings to those who can put them to good use—officials, health care providers, even the public at large. But "noteworthy" does not always equal "newsworthy." Bridging the gap between health specialists and journalists in one developing country is one goal of USAID's MEASURE *Communication* project in Madagascar.

MEASURE *Communication* is implemented by the Population Reference Bureau with the Academy for Educational Development, and is building capacity in the Malagasy media to disseminate findings that bear directly on the health and well-being of people. Building skills often can be done only after changing attitudes, as evidenced in these remarks by participants at a 1996 workshop for Malagasy journalists and health program specialists:

- "Reproductive health specialists are not forthcoming or frank in providing information to the media. They seek publicity for their own activities and foster misunderstanding among journalists."
- "Journalists lack motivation, personal initiative, and material resources and are only interested in covering chance political events."

That 1996 workshop began a series of Population Reference Bureau seminars for journalists. Because of the seminars, hundreds of articles on health and population issues appeared in the Malagasy press. What's more, the seminars spawned Intermédias, or Interprofessional Media for Social Issues, an independent association of 30 print and broadcast journalists who specialize in writing about reproductive health.

These journalists are committed to working together to inform public debate and influence decision-making. Their approach is unique. Rather than competing against each other to get a story, they choose a topic together, then time their coverage to coincide so that all the news media report on the topic at the same time, thus attracting everyone's attention to the matter. The journalists represent Antananarivo's three daily newspapers, several radio stations, two television networks, and a woman's magazine. Association members reach audiences estimated at 500,000 or more.

Intermédiás has begun expanding into all the provinces of Madagascar in order to facilitate the flow of information in the media from the capital to the provinces, and vice-versa. Members plan to conduct workshops for their counterparts in provincial media outlets, and to establish an Intermédias Web page to improve communications. Future plans also include participation in a MEASURE Communication's "Epidemiology 101" course, and in a USIS environmental journalism workshop.

The president of Intermédias is Andry Tsileferintsoa, at email: intermedias@pact.mg.

FIANARANTSOA'S CHANGE TOWARD OPEN GOVERNMENT SPARKS REGIONAL INTEREST

The city of Fianarantsoa (pop. 130,000) in central Madagascar has come a long way in improving its relationship with citizens and developing more open and participatory processes in managing public affairs. In 1998, with assistance from Pact under the USAID-funded Rary project, the city undertook a major communications effort that led to an impressive increase of more than 50 percent in property tax recovery rates in 1998, to a total of almost 80 percent. These efforts demonstrated to city officials the concrete value of communications and dialogue with the general population.

The city subsequently invested some of the increase in tax revenue in a new non-partisan Communications Service and adopted a comprehensive communications policy that includes specific regulations on access to information. This revolutionary new policy officially recognizes citizens' right to information relating to municipal governance; for example, it requires the municipal executive to make public its proposed budget ten days prior to its consideration by the municipal council. The policy represents a major step forward toward making municipal governance more transparent in Madagascar.

A Communal Information Center that provides tangible evidence of the new policy was inaugurated in January 2000. The head of the Center is Mr. Evariste Tovidelo, who is assisted by Mrs. Esther Mamialisoa, the technical documentalist. The Communal Information Center will provide public access to the city's public documents. The non-partisan Communications Service -- headed by Mrs. Louissette Razanamanana -- assures that the Center has all the documents required, thus promoting transparency and the new policy of providing the citizens of Fianarantsoa access to information on governance. In the few months since the Center opened members of the local journalists' association, *Tatao*, have begun to visit the center for research and to use the Internet via its dial-up connection, which was funded by USAID.

In addition, Madagascar's national-level Structural Adjustment Secretariat (STA) and the Chief Provincial Administrator (PDS) have recognized Fianarantsoa's capacity and commitment to open information and communications. Both entities have chosen the city and the new information center as a strategic partner in improving access to information on a regional basis and providing access to information on structural adjustment programs. The Center now shares space and resources with the STA information center, within a new Fianarantsoa province Inter-Institutional Information Center.

Citizens of Fianarantsoa and surrounding areas now have access to information from each of central government's deconcentrated services, including health, education, environment and rural development. This represents an important opportunity for the citizens to assist the state to develop the policy framework and the means to make information work for citizens at the provincial level. USAID and Pact are supporting a development program for the Inter-Institutional Information Center with the PDS to help ensure that this collaboration happens.